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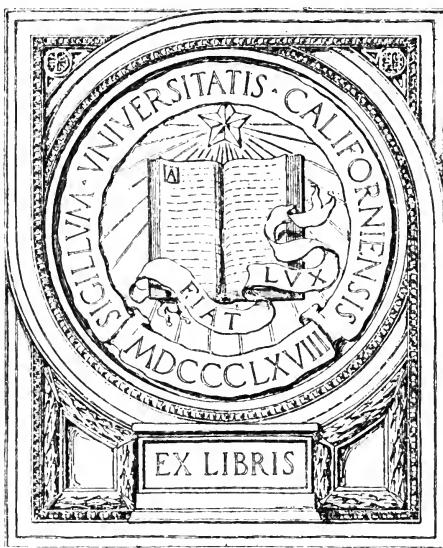


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THE INDUSTRIAL UNREST

Noting the rise and forms of human government. The movement for expunging the Constitution of the United States, with the cause and processes of that movement. The passing of the American Commonwealth and the evolution of the centralized State in its stead; with observation of the several forces responsible therefor. Remarking the various expedients for relief of the working classes, among which, the California eight-hour labor initiatives, and sundry others. The basic errors of such proposals, and the hopelessness of benefit to the working people through pursuit of their direction. Together with consideration of the true cause of prevailing wrong conditions within the nation, and the disaster in which these must culminate unless they be intelligently and courageously corrected.

We have reached a condition in this country where apathy and indifference as to where we are going amounts to national suicide. The trend of the times is toward Socialism, if not actual anarchy, when many men of influence and standing appear to have lost their heads and are drifting with the tide in the idiotic belief that by sympathizing with and encouraging hazardous doctrines and dangerous elements they can head off their ultimate evil results. It is becoming more evident each day that a crisis is approaching and that our form of representative government is in danger; that poisonous weeds have sprung up in political parties that promise the destruction of its basic principles.—John Kirby, Jr., Ex-President National Association of Manufacturers.

BY

JOHN E. BENNETT

OF THE SAN FRANCISCO BAR

Our National Tendency and its Goal

Being a discussion of the Political and Industrial direction of the United States under the influence of prevailing economic forces, and statement of the causes thereof, and the means to avert the conclusion to which those forces are proceeding.

Together with an Address before the Chinese Students Association of America at its Convention held in San Francisco in January, 1914, upon

THE STUDENT IN ORIENTAL IMMIGRATION

Considering the effect upon China and Japan of the Policy of the United States in shutting off migration of the Orient with the West, the real cause that moves Industrial migration, and the condition that confronts Oriental Students seeking education in the United States, by reason of these influences.

32 pp.

By JOHN E. BENNETT, of the San Francisco Bar

“JAPAN’S MESSAGE TO AMERICA”

(A REPLY)

Considering the impelling cause which moves the Japanese nation to desire the good will of the American people; the necessity to Japan of free intercourse with the civilization of the West, now shut off by immigration exclusion; the calamity which inevitably must befall that nation through a continuance of the isolation thrust upon her by this policy. The doctrine of exclusion shown to rest upon a mistaken belief regarding the effect of labor immigration upon wages of intra-country workmen; the popular opinion being that such immigration lowers wages, whereas, in truth, it raises wages and increases general prosperity.

33 pp.

By JOHN E. BENNETT

OF THE
SAN FRANCISCO BAR

Copies of the above and the within pamphlet may be had by addressing the author at 1310-11 Humboldt Bank Building, San Francisco, Cal.

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THE INDUSTRIAL UNREST

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FOREWORD

The United States Commission on Industrial Relations, after conducting for nearly a year its inquiry into the cause of the industrial unrest in the United States, has in the course of its journeyings reached San Francisco, where it is proceeding with hearings, eliciting of all and sundry facts and opinions in quest of light and information upon the great theme which has called it to assemble. It is exceedingly interesting to note that on the eve of the Commission's arrival in San Francisco, its head, Mr. Frank P. Walsh, a lawyer of Kansas City, is credited with saying:

"The Chairman of this Commission has no desire to conceal his own belief that labor's groping, through its demand to 'bargain collectively,' toward more freedom and more life, is one of the inevitable processes of democratization that cannot be permanently checked. He believes further that much of labor's bitterness is a reaction from the instinctive resistance and resentment of the surprised employer against this irresistible process."*

In other words, if the utterances of its Chairman reflect its views, the Commission has concluded, after the hearings it has had, that the labor union with its closed shop is a necessity in industry, and that whatever this is destined to develop into, must follow. This latter is the Socialistic State. The Chairman does not say as much, for he would perhaps fain not draw the curtain to reveal that which is behind, if it happens that he has thought in such direction. His view must be disheartening enough to every citizen who reflects upon it; but assuredly the Commission cannot be blamed for holding it. I shall venture the assertion that not one of the hundreds whom the Commission has heard at its many sessions, has ever presented the line of reasoning which shows that the true direction and the course of safety for the people and the nation is not towards the labor union and its concomitant socialism, but is in accord with human freedom and individual liberty. To the task of so showing, this pamphlet is dedicated. Human freedom is indeed on trial. Men love it, and linger in the hope that it can be saved. Yet who comes forward to defend it! There is abroad a widespread feeling that modern industry in its large development, its combinations and the power its unifications present, is in some way incompatible with the exercise of a full sphere of liberty by the individual. That restrictive laws eliminating a large measure of what he has heretofore conceived to be his rights, are necessary, and that he is destined to go through life jacketed with limitations and rebuffed by denials on all sides, imposed by the State, and assumed to be necessary in order that his fellow might subsist. It is my endeavor herein to show that this is not a fact; and

while so far as I can find, I seem, in large degree, to be traveling untrodden ground, yet the reader will find in the thought nothing that is perplexing or with which the rational understanding will not readily agree. There is nothing occult about political economy. It may be stated as being the science of familiar things. The instructor in it is less a teacher than a guide, pointing out this and that fact, all well in the knowledge of his hearer, the exposition of its truth consisting of the arrangement, the juxtapositions in which the facts are placed and presented. Economics deal with the matters and things with which people come into daily contact. It is a body of thought capable readily of being popularized, the great questions of public welfare which it holds being possible of simple and easily grasped explanations. The "dismal science" with which Carlyle dubbed the economics of his day, was that of the schools. The "theory of rent," the "law of diminishing returns," the "principle of population," the "doctrine of marginal utility," together with such more recent phrases as "economic monism" and "economic pluralism," these theorems do not concern us. Certain of them are correct, others are not; all are useful chiefly to the academicians, and have little influence upon practical affairs. Where they are carried into the domain of current thought, as instance in the case of Prof. Farnam, pointed out in my last pamphlet,* which remarks might be extended to many of the Professor's fellow collegians, there is often error and confusion. Let us forego the schools in this brief journey through the region of every day economics, which we shall make in this pamphlet, and employ the common knowledge which every ordinarily educated mind possesses, and be guided by our common sense. With these instruments we shall not only understand the situation as it obtains through the industrial and political forces moving within the country, but we shall see clearly the direction in which those forces are tending and the ultimate condition which they must inevitably devolve upon the country. This condition is the highly centralized State, in which, under the guise of using the government as an instrument for procuring to the wage earner a larger share in production than he is now receiving, destroys practically all rights and liberties of the individual, and converges the authority of the sovereign into an aristocratic or monarchical head, which inevitably soon assumes the depraved order of such forms of government. This is the meaning of Chairman Walsh's utterances; and it is the more to be lamented that Congress and the President, striving, as they have recurrently done, through appointment of commissions to find the wise and safe line upon which to legislate, are having repeatedly turned in to them by these their creations, and under the seal of patient inquiry and careful consideration, the very doctrines that spell disaster to the nation, whose approval by such bodies but hasten the day of the destruction of all that aggregate of natural and civil rights, the recognition of which by government was the task and toil of centuries. Why this should be is very perplexing. It can only be accounted for by

*"Japan's Message to America."

such a remark as was lately made by James J. Hill, when asked why railroad gross earnings all over the nation were falling behind; he replied: "The business is simply not in the country." And so say I of and for this Commission and its erroneous views as expressed by its Chairman, which have concreted into a conclusion after scores of hearings of business men, politicians, statesmen, economic professors, labor unionists, socialists and sundry others, "the knowledge is simply not in the country." And in so saying I would not underrate in the slightest degree the grand work already done on behalf of the Constitution by such men as ex-President Taft, Senator Elihu Root and others, whose utterances have been of inestimable help to me. But though they have spoken bravely and well, there has been no attempt to carry by any efficient means into the consciences of the people the fact that there exists before the country a clear cut issue of the Constitution on one side and Socialism on the other, and that all of the movement of which this eight-hour labor initiative is an instance and a part, the minimum wage, working men's insurance, the legalizing by Congress of the unlawful acts of the labor union, and much else, is a part of the general direction toward conversion of the nation into the Socialistic State; and men seem to see no light in the opposite direction under which constitutional government can be preserved. This is an exceedingly unhappy situation; and if the publication of this pamphlet shall indicate to those of the country interested in preserving its liberties the course to pursue in such behalf, I shall feel that I have rendered a service.

This article was almost in manuscript before the outbreak of the existing war in Europe, and I have not attempted to change it in any particular owing to that catastrophe. The economic problems which will be presented in those countries now the theatre of the war, after hostilities are over—as to what shaping effect these will have on the several governments, I have not attempted to go into. Such does not concern us in this inquiry. The narrative of the rapid drawing toward the Socialistic State of certain of these countries which was going on at the commencement of the war, as herein shown, may be taken as a condition whose trend is to be resumed with redoubled fury after the war is over, at which time the conditions which have moved the labor element toward the mass strike, will have become highly intensified. Indeed, it is already manifest that when the war closes the world shall have been driven far along in the Socialistic program. It is always the result of war to fasten upon the nations experiencing it erroneous economic policies from which they suffer for years after, the effects of their operations visiting more injury than the war itself. Our protective tariff system was a heritage of our civil war; and already we have reports of Socialistic schemes in France to care for the 600,000 people whom the press dispatches tell us are out of work in Paris alone. There are plans to start government work shops and labor yards and "far reaching charitable work with vast soup kitchens run by

the labor unions." While in the United States, by reason of a warped and erroneous shipping policy, finding ourselves without bottoms under a flag safe upon the seas in which to carry the commerce of the country, Congress is arranging to appropriate \$25,000,000 to buy merchant vessels and start the nation into the commercial shipping business. Enormous sums are appropriated for war materials whose diversion from the channels of industry increase prices and so lessen the opportunities for labor, and intensify the demand and the apparent necessity for the State moving into industry to provide work for the people. Indeed, it may be said that the call for the State to enter industry is due to the fact that the initiative of the people of the nation has been dislocated by erroneous governmental policies, so that it cannot provide jobs for the people itself.

As I have shown, Socialism in Germany, Russia, Austria and France need cause those governments little concern. Monarchies more or less absolute can swallow Socialism with an easy gulp. Prince Bismarck had strong Socialistic leanings, notwithstanding the antagonism of his administration to Socialistic propaganda, and he apprehended no inconvenience to the government or to the reigning house, should it become ascendant. The heads of prevailing industries would, under Socialism, continue heads of such industries, wearing only the badge of government, and drawn thereby into closer relation to the crown; the nation itself developing into two camps, an industrial camp and an armed camp, each equally subject to the sovereign absolutism. It is only in those countries whose governments are predicated upon individual freedom, particularly England and the United States, that will be profoundly changed by Socialism, and the initiative and industrial opportunities and activities of their individual citizens practically obliterated. There can be no question about the ultimate upshot of these conditions, for the world does not know any other direction than that to which it is now tending, the finger of the schools being definitely pointed to the goal of Socialism.

The Industrial Unrest

By JOHN E. BENNETT

The Secretary of State of California, having certified to the electors of the State the initiative proposals hereinafter set forth,* to be voted upon at the election to be held in November, 1914, each of which would be enacted into law by a majority of the voters balloting in their favor, a number of leading citizens of San Francisco requested of Mr. Bennett his views upon the measure, to which the latter replied with the following thesis:

Man belongs to that order of animals which by their nature are gregarious; that is, animals who by instinct assemble into communities and exist in association with each other. The wild horses or the buffalo that sometime roamed the prairies, the wild geese that fly in flocks, are instances of this character of life. They differ in this quality of sociability from those forms that are either solitary in habit, like the hyena or the blue heron, or that are addicted to an equally isolated family life, like the lion or the fox.

Whatever may be the sense that causes sheep to browse in droves or antelopes to move in herds, in man there are reasons of intellect as well as of emotion, that cause him to abide with his fellows in tribes and nations. These reasons may be aggregated into a single phrase—mutual helpfulness.

The movement of man in the line of progression, from his earliest type to his highest modern creation, has been, from the standpoint of the human race, extremely irregular. Some peoples, even within the realm of civilized nations, are centuries ahead of others, while there yet abide naked and savage tribes; and farther into the jungles explorations of today have discovered peoples in their primitive condition, so close indeed to the apes, that they may almost be regarded as survivals of the *Pithecanthropus erectus*.

In whatever stage of progress men may be, there is government amongst them. Government may be defined as the existence and exercise of a power vested in human hands, compelling the individual to do or

*The first initiative bill is as follows:

"Any employer who shall require or permit, or who shall suffer or permit any overseer, superintendent, foreman, or other agent of such employer, to require or permit any person to work more than forty-eight hours in a week of seven days. eight hours in one week, except in case of extraordinary emergency caused by fire, flood or danger to life or property, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than \$50 nor more than \$500 or imprisoned in the county jail not less than 10 nor more than 90 days, or both so fined and imprisoned."

The second measure is more in detail and punishes anyone who shall hire or require any person to work more than forty-eight hours in a week of seven days.

refrain from some act or conduct by reason of the common welfare. The necessity for government arises with the human through his need of subsistence and his need of defense. Men can better hunt game which yields clothing as well as food, or oppose wild beasts, when they proceed in companies. These circumstances naturally create government which finds its earliest and simplest expression in mere leadership. Men are by nature different, not only in their physical statures and capabilities but in their several psychologies. They vary vastly in all faculties of the mind, in intensity of will, in all those attributes which we commonly comprehend in the phrase "force of character." So if you throw a dozen men, however rude, abroad in a country, and set them or they set themselves to any effort, there will presently develop amongst them some man whose adaptability to the given task at once asserts itself, and finds instant acknowledgment from the others. And while there may be several of these, the superior perception and suggestion of one will cause the others to fall to his support, and the entire company will move under a single direction. This quality of leadership is inherent in human action; it is the essential of all coordination amongst the units of human kind; it obtains with equal force wherever free performance exists, amongst the peoples of the highest civilization as among those of the most elementary groups. The leader of the chase becomes the ruler of the tribe, and rule imports government.

Looking at this initial stage of society it can be seen that the line between the ruler and the people, as to which is in ascendance, is not clear; and whichever hypothesis is accepted must be a conception merely; whether the people are of primary importance and the ruler is their servant, or whether the ruler is uppermost and the people are his servants, is a question which does not long endure before it is entirely manifest that whatever may be the condition theoretically, in practical operation the ruler is supreme and the people are inferior to him. It is the quality of the ruler that he has the power to bring the force of the whole society against any member, or of the majority against the minority. Such ability would exalt him above any individual, and the concept that the aggregate of individuals comprise a quality of primacy which separately they do not contain, or if at all, only in fractional degree, is too much of an abstraction to concern men in the savage or the barbarous state.

As men, however, attain to civilization there comes into their minds the light which shows them the quality of government in relation to the people and in relation to the ruler. And whatever may be the kind or form of government existing in any country, there remains in connection with it but two principles; one is the Man, and the other is the Ruler. The first is where the citizen himself embodies all rights of every kind, just as though he stood solitary in the midst of nature; and where out of those rights which he possesses he cedes certain powers to an invisible entity called the State, upon the condition and for the consideration that so endowing the State the latter will protect him in the free exercise of the rights he

reserves. Having created this establishment, he appoints a citizen to administer it. Very obviously the real thing in that situation is not the ruler, but the State; the latter endures and goes on; the former may be swept aside at any instant, and the State is in no wise affected by such removal; there is merely a vacancy created, to be filled by another appointee.

Under this concept it is essential that the State be an institution explicitly defined in writing. The document which expresses the powers which the citizen cedes, we call a constitution; and under this constitution there is formulated a body of laws, none of which may be in contravention of the constitution but all thereof must be in accord with it, and aimed to give effect to its provisions.

This government is what is called a Commonwealth, as the form expressed in the Ruler is called a Monarchy; or if the government be a group of individuals possessing equal powers, then it is called an Aristocracy. The powers ceded by the citizen to form the Commonwealth, however, have a very definite sphere. They are such as to preserve to him on one hand the largest scope of free action, and on the other to secure him and make him safe in its exercise; to, in other words, place the entire community behind his use of his rights. Those rights, it must be seen, are the rights which each separate person in the country possesses, and they comprise in each individual the whole zone of human action up to the point where their exercise comes into conflict with the exercise by another individual of like rights. I have a right to possess property; my neighbor has a like right to possess property; but I may not possess myself of his property against his will, for then I invade his right to possess property. It is in this margin, or on this edge of rights of individuals where they lie against rather than touch each other, that the function of government exists, the quality of which is to hold a balanced hand between them.

So then we have man under a Commonwealth, holding all rights up to where their use impairs the use of like rights by his neighbor, at this point transferring certain powers to form the State which is installed to secure him in the possession and use of his rights, the entire defined by a written constitution, which is elaborated in written laws, whose meaning is construed by a judiciary and enforced by an executive.

The Commonwealth is such, however, only so long as the rights and powers between the State and the citizen are thus defined and balanced; when there is encroachment upon the respective powers, by either one side or the other, the citizen or the State, the government is no longer that of a Commonwealth. If the citizen withdraws any of these powers from the State, the balance is destroyed and the condition that supervenes is called anarchy. This order of things is, however, theoretical only; anarchy can never exist as a status of Society in any wide scope or permanence. Its very existence will revive to suppress it the law which it has overcome. Its assertion will drive the government quickly into the most centralized and absolute form, the very opposite to that which the anarchist desires. For

anarchy is chaos, where the will of each is supreme; a condition always attended with an uprush of the evil elements in the affected community, for whose submission to order law is necessary. Even if there be imagined a society in which there were none disposed to willful wrongdoing, law would nevertheless be requisite as a mere guide to conduct by which all might adjust themselves; for men with the best intentions will differ in their opinions as to their several rights—differences which would quickly provoke disorder were there not some fitting measure by which rights might be determined. It is, indeed, most ordinary that not only will men hold contrary views of interests to which they are related as principals, but they are equally prone to contradictions where, removed from participation in the subject-matter, they are seeking to adjust the differences of others; with a rule before them to which to reconcile the admitted facts—they will frequently disagree; as witness the dissents to legal opinions of justices of courts.

If, however, the Commonwealth encroaches upon the rights of the citizen, then is it also no longer a Commonwealth, but falls into the reduced sphere of a democracy; for the latter as a depraved form of the Commonwealth answers to the degradation of Monarchy into tyranny and Aristocracy into oligarchy. Aristotle was undoubtedly right when he said that as between these perversions of good government, there was no choice, for none was better than the other.

We have, therefore, the Commonwealth comprising the State, formed by the citizen of ceded powers for the purpose recited—this is one of the two principles or *stati* in government to which I have adverted; the second and only other is that in which the citizen has no rights whatever, but all rights are vested in the State, and the citizen, there a subject, holds only such *privileges* as the State may permit him to enjoy, and which may be withdrawn at the will of the ruler. This last is absolutism, and it is opposed to individualism, which is the condition of the man under the Commonwealth. As between these two there is no middle ground in government. Whatever order of things exists in any nation that is not one or the other, presents not a *status* but a tendency—an oscillation in one direction or the other, which movement, however long a period of time the process may require, will not stop until its goal is reached.

An absolutism may be either a democracy, an oligarchy or a tyranny; it is not necessarily a State under the domination of a single ruler; although its gravitation is in that direction, and if uninterrupted in its course, ultimately develops into such autoeracy. Absolutisms are extremely common in every day affairs. Take the ordinary private or quasi-public corporation, ruled by a board of directors, elected by the stockholders, and who may, under a democracy, stand as the counterpart of the administrative and legislative authority of a State installed by the voters. A single individual will often dominate the board. Usually he expresses himself through a group or majority of the members, who are committed to his rule,

in whose acts the minority acquiesces, being conscious of the uselessness of resistance. We have just had an exhibition of the operation of this influence in the testimony of President Mellen of the New Haven Railroad Company, who narrated how the directors of that board were controlled in its affairs by Mr. J. P. Morgan, notwithstanding Mr. Mellen himself was the nominal head of the corporation. "Wherever MacGrogan sits, *that's* the head of the table," is a principle present or tending in all associations of men. The strongest rule. Not only do they control in action, but their exertions are equally directed to holding themselves in place; it is only when the excesses of MacGrogan produces revolt among the stockholders that he becomes dislodged; for an indifferent stockholding proletariat, content to let things alone so long as prosperity abides, will like all democracies, vote favorably to the dominant rule upon the presentation to it, by such authority, of favorable statements.

As to what time the absolutism shall supervene in government, depends upon the rise of the strong man, who, when he arrives, quickly threads together the ravelled edges of authority and concentrates all power in his single self. The means by which this is done is often war, civil or foreign. Though it may transpire by ordinary mutations and silent processes as is now proceeding in this country. Rome was a democracy when Caesar died, but it was nevertheless an absolutism, for the head of the army had come to embody in his person all offices; and the term *General*, a mere designation of military rank and office, in its Latinized form of *Imperator*, came to be the title of the emperor. The same phenomenon occurred in England in the time of Cromwell and in France during the period of Napoleon. In both countries democracy existed but passed into imperial absolutism, after having endured a brief season as a democratic absolutism. For while the Lord Protector was never crowned, any more than Julius Caesar was ever crowned, yet he was in all respects as complete an autocrat as was either Caesar or Napoleon.

The nation founded by our fathers of the Constitution was a Commonwealth. Today it stands depraved as a democracy, its tendency driving hard and fast into imperialistic autocracy.* There may be an interval of some decades before the coronation of an Emperor at Washington, and while he may never wear any other title than *President*, his tenure being hereditary or for life, yet the constant drawing to the State out of the hands of the citizen such remaining powers as he possesses, which is now going on everywhere in the country, is rapidly effacing all the individualistic qualities of the form and character of government which was established by its founders. There is, indeed, no more explicit truth than that contained in the maxim: *Vigilance is the price of liberty*. The Commonwealth, the most just and perfect form of government that can be established among men, under which the largest possible zone of liberty is vouchsafed to the citizen, and which alone is consonant with the very highest develop-

*See my pamphlet "Our National Tendency and Its Goal."

ment of civilization—this order of government cannot long endure without the eyes of the citizen being constantly and understandingly fixed upon it, and his energies placed to guard and defend it in its every aspect. The Commonwealth which the makers of the constitution ordained was by no means perfect; yet that constitution was sufficiently broad in its foundations resting upon human freedom, to have sustained any structure of liberty which might have been reared upon it; the principles of liberty of man were there; they needed only to have been carried out, expressed in legislation, interpretation, and so administered, to have evolved on this continent, in this day and time, the most perfect government, and the highest human happiness, that can exist upon earth.

No longer a Commonwealth, the avenue which the existing democracy is taking, in proceeding toward monarchy, is Socialism. This latter in its purity is stated by its leading exponents to be:

“A movement primarily consisting of members of the wealth-producing class, which seeks to control all the powers of the State, and to bring about the collective ownership and control of the principal means of production and exchange.”*

Another author states its purpose as being “to transform the State into an agency for the democratic administration of socialized industry.” In other words, it means State ownership and operation of nearly all industry—nearly everyone being in the employ of the State, which is the creator and giver of practically all jobs. We are told by the writers on Socialism that there would, under such regime, exist entirely free action on part of the individual to compete with the State, and the authors from whom I quote cite an illustration of this idea.† There is no doubt that if free competition with the State were left to the individual the State would soon be driven out of industry,‡ for industrial organization conducted by

*Spargo and Arner, “Elements of Socialism,” page 5.

†Let us suppose, then, that the shoemaking industry has been socialized and is now carried on in State-owned factories. The citizens as a whole are satisfied with the results. The shoes are good; the workers are well paid; the consumers of shoes get better value than would be possible under capitalist production. But A, who is a shoemaker, is a man of marked individuality. He hates his employment in the State factory, where he is only a maker of parts of shoes. He wants to make shoes by hand in the old-fashioned way, to put into each pair of shoes something of his own individuality. So long as he can find no one who wants shoes made in that way, no one who is dissatisfied with the factory product, he will be a dissatisfied man; his individuality will be repressed, not by the State, as such, but by the general indifference of society to his point of view. In this respect he will be no worse off than are all such workers in present society. But suppose that B, who wears shoes but does not make them, dislikes the factory product, and desires above all else to wear things made specially for him, things which express the individuality of the makers and of himself. If under such circumstances A and B can agree upon terms, there is no reason why A should not make shoes for B. There is no exploitation. Such competition with the State on the part of private producers might well be encouraged rather than discouraged. If the private production made headway faster than the State production, despite the enormous advantages enjoyed by the State, it would mean that its efficiency was greater. In that case, the State factory would have to improve its methods or fail and be supplanted by the more successful private production. Spargo and Arner, etc., p. 228.

‡In 1848 the French Provisional Government in fulfillment of its promise to provide work for all who claimed it, established *ateliers nationaux*, or national workshops, which was coming very close to the realization of the Socialistic dream. A great establishment for the manufacture of clothing was set up in Paris. The Government provided the buildings rent free, and furnished the working capital, charging no interest. It gave an immediate order for 25,000 uniforms for the National Guard and promised further orders so as to keep the plant in operation and agreed to pay the same price as private contractors asked, eleven francs per uniform. Fifteen hundred men were put to work, to whom the Government advanced two francs a day as “subsistence money” pending a final division of the profits. When the accounts came to be squared it was found that

the State can never compete on equal terms with that operated by private enterprise; the rock upon which all State owned industries, attempted to be run in antagonism to individual effort, fall to pieces is initiative and efficiency. These elements the State concern does not and cannot possess in as high degree as those privately run, for the reason that with the former the continuance of the establishment does not depend upon the production of a product that shall find a profitable market, and the spur of competition in the market is removed. From the private plant, however, competition is not removed but is constantly in energetic operation, driving the firm to a higher and ever higher degree of economy and efficiency in order to hold its place in the market.

There is no doubt, however, that if Socialism became the policy of the nation very short shift would soon be made of concerns competing with the government. The people of the nation, then committed to the idea of Socialism, would quickly regard as public enemies, as common pirates, those individual concerns which were underselling the State shops in the market, and so causing the latter to default in their running expenses, which the people would have to make up through increase of taxes, if the entire structure of Socialism was not to go into the dust. We can well imagine the argument which would be put forth in that day in such a case: "What can be the difference between people paying more for their goods to the people's factories than the sweatshops charge, and having to make up out of their taxes the losses which by selling cheaper the latter bring upon the national establishments?" It would soon be found that in running shoe factories and tailor shops the policy of the government would be the

instead of profits there was a loss and that the two francs a day paid to the workmen as subsistence money worked out as the equivalent of sixteen francs for a uniform, instead of eleven, the price by private contract; while the subsistence money, which was only another term for wages, of two francs a day, was less than that which the journeyman tailors earned in private employ. Summed up, this was the result of the experiment; the Government paid five francs more for a uniform than if it had bought it in the open market besides losing the amount invested in the plant and the interest on the money advanced, while the working men received a lower wage than private employers paid. A great many employers were ruined by the competition of the State and much distress followed.

According to contemporary accounts the scheme failed because *incentive was destroyed*. The scheme contemplated an equal division of the profits among the 1500 men employed, but as each man was working not for himself, but for all the others, no man thought it necessary to put forth his full energy, as the others would make up for his dishonesty, and as every man conceived the same selfish idea, the daily output was reduced and the cost of manufacturing necessarily increased. A. Maurice Low, North American Review, February, 1913.

Contractors Best, Says Supervisor.—When the proposed increase of the street repair department's allowance for several months to come was under consideration by the Supervisors' Street Committee yesterday, the increase being to enable the department to pave certain streets before the exposition opens, Street Superintendent McCoy admitted that he could not put down new asphalt pavement at the price for which contractors lately have taken such work. Supervisor Thomas Jennings, who favored getting bids from contractors for much of the work immediately required, instead of having it all done by McCoy's department, said: "The city cannot do the work as economically as the contractors, because it does not get as much service out of the men. They loaf and do as they please, and when they are hauled up, the Board of Works and the Civil Service Commission give them another chance.—San Francisco Chronicle, Sept. 4, 1914.

Commenting editorially on the above, the *Chronicle* says: That was a reckless remark of Supervisor Jennings. Does he not remember that that was proved long ago by the Chamber of Commerce, and that, as a result, the Chamber of Commerce was put on trial and not the alleged loiterers? We see the political end of Supervisor Jennings. Another reason for the extra cost is that the Board of Works, without any authority of law, makes a present of \$50,000 from the public treasury a year to the street employees by giving them each week half a day's pay without asking any return. That is what Superintendent McCoy says he does, and it must be so. Why the Board of Works authorizes this gift of the people's money is evident enough. It is good politics.

same as that it now employs in running the mails, viz.: It must arrest its competitors and lock them up in jail.

We see, therefore, the ideal. This is offensive enough to millions of our countrymen, nurtured at the breast of the constitution, imbibing therefrom its spirit of freedom and equal right. The notion of a government job at doing something where they can fit in does not attract them. The idea that they must exist upon the favor of some political boss, who holds his particular job by standing securely in with the powers above him, does not appeal to them. What they want is a condition where, if the job does not suit them, they can quit and take another somewhere else, more favorably circumstanced, and they want to see jobs in plenty, and wages good. That is the natural condition, the state of things as they ought to be, and as they will be when the errors of governmental policy, with the harmful laws which I am pointing out in these pamphlets, are removed.

The restful elysium which the Socialists conceive of everyone having a government job for life with easy work and short hours on good pay, with pensions and perquisites at the end, is very different from the manner in which such job would materialize under the government which they seek to install. For while they talk of "democratic administration," meaning, without doubt, the administration of a Commonwealth, yet this idea is in human experience completely at variance with the quality of an autocracy. No highly centralized State, which the Socialists' edifice essentially is, could long exist, or exist at all, without forming of itself a monarchy, whether the monarch were crowned or not. Indeed, the very process of drawing to a head in the evolution of the Socialist structure, with the constitution overcome and law subverted to the will of a ruler, would create and is now tending to create, a monarchical establishment. We do not have to try to imagine what this condition would be, we have only to look into the past and see what it actually was, when it existed. Our Socialist authors properly quote de Lamennais as saying: "If we separate it from the past, the present is silent as to the future." The most Socialistic nation which has ever appeared on earth is today, and always has been, Russia, albeit the Marxian Socialist propaganda has been consistently opposed there by the government. The fact nevertheless is that the Russian autocrat has only to expand his wings to embrace the ownership and operation of all industrial property and all that is ideal in Socialism would be obtained. The Czar, as rapidly as he can, is now doing this very thing.*

*A St. Petersburg press letter states that the Czar of all the Russians and his advisers feel that there is danger to autocratic power in the prosperity of an independent producing and trading class, and that the only safe course is to use the power already possessed to get possession of everything else in the empire.

The Russian Government already controls all the means of communication, most of the ready money in the country, dominates the banking system, has a monopoly of the liquor trade, owns about one-sixth of the land area of the empire and virtually controls the larger private industries as the greatly preponderating purchaser. This, however, is not enough. The autocracy is alarmed at the financial independence of the political subdivisions and feels that it is essential to its safety that control of local finances be centralized, and that the entire land area pass into the possession of the State. Russia is the richest "state" in Europe and its people the poorest. A Russian economist estimates that the average annual income of the peasantry, who constitute four-fifths of the population, is not over \$156 per annum. As a result of the suppression of private enter-

Industrialism has come to be the leading influence of the nation. Autocracy has always laid hands upon and assimilated whatever was the most cogent force, besides itself, within the realm. From the beginning it has assembled and directed, through militarism, the spirit of combat; for years its chiefest ally was religion; today it is industrialism. Nothing is plainer than that such autocracies as Germany, Austria, even France, with its nominal republicanism, are rapidly becoming monarchical socialisms. In Germany the government, in addition to owning the public utilities, is acquiring the stock control of every large corporation in the country.* It is indeed now largely Socialistic, yet in no sense is the condition of the laboring man better in that country than it is elsewhere in Europe, and for reasons which I shall herein later discuss. Up until 1853 Russia's laboring people were the direct charges of the State, which was burdened with their maintenance, whose duty it was to find them jobs and who had to support them when they were out of employment. There was an absolute power at the top, and there was a numberless multitude at the bottom who had no care for the morrow, because the State would supply their needs. I can remember when I was a boy my father telling me of taking his ship into a port in the Baltic, and of the vessel unloading there. "Our stevedores," he said, "were furnished by the government. They worked during daylight; that is, from sunrise to dark. They received no wages, but the government supported them. At noon an officer would come around and give each man a large piece of black bread; this he would eat, with a little grease taken from our cook's slush barrel, or anything else he could find."

The movement toward Socialism has rapidly increased in the United States during the last two decades. In 1892 the Socialist party vote was 21,164; in 1896, 36,274; in 1900, 127,553; in 1904, 433,542; in 1908, 434,618; in 1910, 607,674. It was estimated that the election of 1912 would show the Socialist vote 2,000,000 out of the approximate total vote 15,000,000,† but the vote was in fact 927,367. Mr. Debs, the Socialist candidate, declared that much of his vote was included in the returns of Mr. Roosevelt, aggregating 4,123,206; and there are many reasons for believing this statement to be true.

prise, land and other values are the lowest in Europe and the national income per capita the smallest.

Russia is nearer to socialism than any other country in the world. The fact that it is an autocracy should rather favor whatever increase of prosperity is possible under a Socialistic system, for it is much more to the interest of an hereditary autocrat that his people be prosperous than to a more or less changeable bureaucracy.

It is, of course, true that the Russian people do not like economic slavery and that such of them as have education desire to escape from it through political action, which results in sternly repressive and cruel action directed against the educated classes. Those, however, constitute but a small minority of the people. The masses are uneducated, superstitious beyond measure, accustomed to submission, and would be content if they enjoyed reasonable prosperity. This, we may be sure, the autocrat desires for them and endeavors to secure according to his lights. (San Francisco Chronicle, April 12, 1914.)

*Germany's Monarchical Socialism, by Elmer Roberts.

Dusseldorf, a city of 400,000, located on the Rhine, runs an amusement hall that makes a handsome profit on the sale of wine. It owns and operates the slaughter-house and a big public market. It does its own banking and loans money at low interest rates to citizens to build homes for their own occupancy. It makes and sells gas and electricity. It owns and operates all the street railway lines in the city, and also has a controlling share in the stock of the interurban lines of the district.—Boston Globe.

†The actual figures were 15,033,885. See "Our Conflict with Socialism," American Liberty and Property Association, New York.

It would be a great mistake to conclude that the entire Socialist strength of the country was represented in the Socialist vote for Mr. Debs. The Socialist movement of the United States comprises those persons who *think* Socialism or any of its doctrines. Any one who favors a proposal to take powers from the individual and place them in the hands of the State, is a Socialist, and is contributing of his strength to bring into existence the Socialistic State. Our seats of learning, the universities, particularly the chairs of political economy of the universities, reek with Socialists and Socialism.* Many of the occupants of these chairs frankly admit their adherence to this polity; others, however, would deny, if accused, that they are Socialists, though few would not admit sympathy with Socialism. When they are asked, as Dr. Scott Nearing, professor of economics in the University of Pennsylvania, was asked the other day by the Chairman of the United States Commission on Industrial Relations, "What, in your mind, is the real cause of the industrial unrest?" there is given a Socialist reply. Dr. Nearing answered:

"The fundamental cause is our lack of adjustment in our property relations. Now if we were all in a community and all have work and no one of us was getting more than 50 cents a day, there would be no particular unrest. But if we all are in a community and all have work and all get 50 cents a day except one man and he is getting \$5.00, the rest of us are going to wonder why and ask about it. The most important thing—and I start my economics on this proposition—is that every man is entitled to what he earns and no more and no less. The corollary following upon that fundamental principle is that no man is entitled to anything which he does not earn. I define earn, as rendering a service. I earn that for which I render a personal service. I earn if I do anything for which society is willing to pay; for a service rendered in any form which society will accept. If society wants to go to the movies, the actor earns that which he renders. If I am a poet and society will not accept my poems, I do not earn it. That is the fundamental principle of economics, the relation between earnings, of what the man gives, what he gets and the effort that he expends. All other forms of income for which one does not render personal service, namely, rent, interest and profits, are unethical and anti-social."

There would be no difficulty in anyone declaring that these doctrines square with Socialism in every aspect. The Professor's views respecting service, the alleged inequitableness of receiving returns for use of property, his ideas about "rent, interest and profits"—the special antipathies of the Socialists, the abolition of which is utterly necessary to their scheme of the centralized State—all stamp Dr. Nearing as being a full type Socialist. And when he is asked by Chairman Harris Weinstock:

"If this situation goes on as it is now going, what forecast would you make for the condition of the worker 30 or 40 years hence?"—

to that question he has no better answer to make than:

"You mean, if he stands for it?"

Revolution, chaos, industrial reign of terror, culminating in a reor-

*Note the discussion as to the socialism of Prof. Farnam of the Chair of Political Economy at Yale University in my pamphlet "Japan's Message to America, a Reply," also p. 28 herein.

ganized government "bought at the price of peace" in which the man has next to no rights, but the State is all, this is the fate which in the minds of these savants overhangs the country. So feeling, so believing, they can look with complacency on the scenes that transpired in Colorado last month, and which have been going on almost continuously over the country for years, in which the issue between the coal mine owners and the union was the closed shop, with the grim consciousness that these things are inevitable; that there is no way to prevent them; that their political economy supplies no remedy, since they mark the processes by which the normal evolution of industry, as civilization rises, proceeds to draw the nation into a different organization from what it now is, being one in which, by some means they think may be possible, but which they do not understand, the worker may be given a much larger share of the product than he now receives.* Therefore, our economic professors would advise the property owners and operators and those laborers who refuse to work under the yoke of the union (in the Colorado instance comprising ninety per cent of the total number) that they should yield to the demand of ten per cent of the unionists, and accept the administration which they seek to impose. It is not surprising, therefore, that we find the head of the Department of Political Economy in Columbia University, Professor Edwin R. A. Seligman,† opposing those who own and operate the mines, the free workmen and the regularly constituted authorities of the State of Colorado,x and advocating acquiescence in the demands of the union. Professor Seligman, we are told,†† "insists that Mr. Rockefeller misunderstands the issue. Recognition of the union means merely the right of 'collective bargaining' on part of the miners as well as mine owners—recognition,‡ that is, of the right of the men to treat with their employers through their chosen officials. 'Why,' he asks, 'should the Colorado operators find it impossible to achieve what has actually been accomplished by their colleagues in nearly every other State in the Union? And why should so much emphasis be put on the sacredness of a 'principle' which has been abandoned almost everywhere else in the coal fields of England and of the United States, and the disappearance of which is leading toward industrial peace and social progress?'"

It is interesting information that the principle of free contract for services has been "abandoned almost everywhere else in the coal fields of

*See the address of Prof. J. H. Gray, head of the Economics Department of the University of Minnesota, and President of the Economic Association of the United States, delivered before the Commonwealth Club of San Francisco, July 25th, 1914, in which he said: "There can be no freedom of contract between persons of high inequality." He predicted that "labor" would not be satisfied until it had a share in the direction of industry, and some financial stake in industrial undertakings over and above that of a stated wage. See San Francisco newspaper reports of July 26th, 1914.

†Note page 29 herein.

xSee an interesting and manifestly truthful article upon this difficulty by Elias M. Ammons, Governor of Colorado, in *North American Review*, July, 1914.

††Current Opinion, June, 1914, p. 414.

‡There is some question as to the meaning of the demand of the Union, an attempt being made to create a distinction between "recognition" and the closed shop. "Recognition," however, would concede the right of the union to assert the conditions under which the union men would work, and it is the principle of the union that its men do not work with non-union men. Hence "recognition" of the union would inevitably culminate in demand that the non-unionists be supplanted by union workmen, whether such demand were specifically embodied in the demand for "recognition" or not.

the United States and England," but it is more interesting when we are told that this sort of thing is "leading toward industrial peace and social progress." The vast nation-wide coal miners and traffic strikes of England which brought business in that country to a standstill during the past eighteen months, caused suffering untold to the poor, and vast losses to the well-to-do and to the nation, are too recent to call for any recital here; but it is important that we may get some notion of what the doctrine that Prof. Seligman advocates may be shaping for the future in England, in order that we may comprehend the kind of "industrial peace and social progress" which the Professor tells us it is "leading toward." We find a quite stimulating forecast of it in an article dated London, December 20th, 1913, and printed in the issue of the following day of the *San Francisco Chronicle*. It reads:

The Standard says that the biggest trade unions in the country are concentrating their forces for a great fight with capital. The movement is regarded as the reply to the employers' \$250,000,000 fund and is declared by H. Gosling to be the inevitable answer thereto. Railway men have a programme for an eight-hour day and a minimum wage, the dockers are formulating a set of demands, and the miners are preparing new proposals. The district agreements of the miners expire in 1915, and that year is regarded as the time of the threatened labor Armageddon. Meanwhile the great forces on both sides are being steadily marshalled.

This new and ominous move is inaugurated by the decision of the Miners' Federation to approach the other big trade unions "with the view to co-operate action in support of each other's demands." "The latest development," said a member of the United Kingdom Employers' Defense Union, "brings the labor movement to the borderland of syndicalism. Indeed, one of the speakers at the Scarborough conference of the Miners' Federation said he would stand for 'syndicalism, anarchism, even nihilism' in connection with the Dublin lockout. The proposed amalgamation for the purposes of a national strike in 1915 must be closely watched by employers if their interests and industries are to be preserved. The Employers' Defense Union will have formulated their plans in a few days for guarding against the unjustifiable attacks on the various industrial concerns throughout the country.

"It has been justly appreciated that the new combination of labor will eventually represent over 5,000,000 trade unionists. The Miners' Federation itself is the most powerful branch at present, with a total of about 750,000 members. Railway men total more than 600,000 and the latest reports are that non-unionists join the union at the rate of 3000 per week. The day of unorganized employers is past. Organization of the leaders of industry throughout the kingdom—mines, railways, shipping, engineering, cotton, etc.—are at last taking place.

"There has been the best proof already given that eventually the sum of \$250,000,000 will be subscribed as a working fund by the guarantors. It is a matter of life or death to manufacturers competing with foreign countries. In many cases higher wages cannot be given if the businesses are to be run on a profitable basis, or even run at all. Run at a loss, they do not run long, and when the works are closed the ranks of the unemployed are increased, and it is hopeless for trade unions to contribute out-of-work wages long.

"No action will be taken by the Defense Union on behalf of an employer unless the executive is satisfied that he is treating his men fairly and paying them the ordinary rate of wages. Employes would go direct to the employers when they considered they had grievances. There would thus be eliminated the baneful results of the work of paid agitators who organize strikes for their own pockets. All this is, of course, against the Socialist and syndicalist agitator, who makes it his business to create industrial discord.

"The justification of the employers in forming the Defense Union is that they are bound to unite to protect themselves against the ever-recurring menaces of syndicalism,* in connection with which the announcement of the miners' decision is the latest development. There is no use in denying any longer that there is a strong syndicalist movement in this country which must be checked at all costs. Revelations in connection with the coal, the traffic and other big strikes, the inciting of soldiers to mutiny, and other phases of advanced syndicalism can no longer be disregarded.

"Syndicalism is anarchy pure and simple—the holding up of the whole community for what can be got out of it. As Sir Arthur Clay, one of the promoters of the present employers' movement, aptly puts it, 'syndicalism means the total destruction of the existing industrial organizations and the transfer of all means of production from their present possessors, the wage payers, to the wage receivers.' Imbued with this revolutionary purpose, the power of the 5,000,000 trade union workers would be absolutely invincible were no deterrent force brought to bear against it."

Frank Hodges of South Wales, who proposed co-operation of trade unions at the Miners' Federation in Scarborough, said it would largely modify the future action of trade unionism and prepare the machinery for dealing with capitalist organization on a more complete and scientific scale. Railway men had their plans for a 30 shillings minimum and eight hours day; the dockers were formulating their programme, and in 1915 the miners' district minimum agreements terminated. He suggested unified and simultaneous action—one national strike instead of three, if demands could not be won without it. If the transport workers had formed part of such organization they would have been able to deal with the Dublin trouble in a more effective way than by sending \$5000 a week. Only scientific organization would beat the employers with their own weapons.

There is no nation in which labor unionism is in proportion to population more highly developed than it is in England, in which it wields more political power, where its doctrines are in more widespread practice or where the effects of its operations are more abundantly and distinctly manifest. Its Labor Party in 1910 polled 506,000 votes, with the radical groups polling 123,000 more, making a total of 629,000 labor votes, and holding forty seats in Parliament.† And from a survey of the industrial field of England it is apparent that in the development of labor unionism,

*The syndicalist movement owes its origin to the entrance into and domination of the French unions, or *syndicate*, by the anarchists. Syndicalism and anarchism both aim to re-establish society through social revolution and the general strike, on the basis of free groups of workmen controlling the production of the world. Both aim to destroy patriotism in favor of international solidarity of workers—to substitute the spirit of class for the spirit of nationality. Through the fomentation of multiplied strikes, the increasing of the number and size of strikes, and the sympathetic strike, is created the idea of the social general strike, which will obtain for the working people all their demands without the aid of political leaders. The American Year Book, 1912, p. 398.

†The recent elections in France are reported to have returned 101 Socialist deputies, representing 10,100,000 constituents.

Socialism, labor unionism and anarchism coalesce, and take the form of Syndicalism. This result is most natural. The tendency of laborism is to unify, solidify, to enmass and become mobile; and in this shape it will enforce its demands with the universal strike. As various unions have at the same time demands against their employers, hence causes for strikes, what is more natural than that they should link together their demands and unite their strikes into one general endeavor. Socialism has divided society into two classes, the labor class and the capitalist class, between which, by the nature of their relative occupations, it asserts there is irreconcilable conflict. The employment of the former by the latter is defined as "exploitation" of the laborer by the capitalist. The war upon the capitalist is for his extermination and nothing short of this will meet the Socialist program. As all of these terms and tenets have been adopted by the labor unions in Europe, there is a merging of all into a common Socialistic mass, which coincides with that of an army, and the simultaneous strike is analogous to a general charge on the field of battle. It is plain to see our destiny in the United States with our industrial movement proceeding upon these false doctrines. The real and ultimate power in laborism is the latest which has appeared, the Independent Workers of the World, the American name for the Syndicalists.

Syndicalism first appeared in the United States in the "mass" organization of the Knights of Labor, and expressed itself in action in the American Railway Union, headed by Eugene V. Debs. This concern brought about the Pullman strike at Chicago in 1894. The Western Federation of Miners has been the most explicit exponent of its shade of the Socialist doctrine, as expressed in its various mining strikes, commencing in the Colorado strike in 1904, also that of recent date and others; likewise the Idaho strike in which Orchard killed Governor Steunenberg of that State. These strikes have always been attended with destructive violence, such as the dynamiting of mills as well as armed warfare, and as such they have differentiated from other strikes of the Industrial Workers, notably the lumber and traffic strikes in the Northwest, in which the policy was strictly non-combative.*

The laborites are at present divided into two wings, those who favor trade autonomy as represented by the labor unions, and those who stand for industrial union, the motive of the I. W. W.'s. At the head of the Industrial Union group are William D. Haywood and John Mitchell; the leader of the trade autonomy group is Samuel Gompers. At the 1912 meeting of the American Federation of Labor, of which Mr. Gompers is president, a representative vote of 5,929 stood in favor of adoption of Industrial Unionism by the Federation, with 10,983 against. The same principle manifested itself in the Socialist convention of that year and polled one-third of the strength of that body, the influence of the doctrine

*See "Revolution Yawns," article by Agnes C. Laut, *Technical World Magazine*, October, 1912.

in the two conventions being about the same proportion to the total constituency. That the plan of Industrial Union will attain the uppermost hand, there is no doubt. The gap between 33 1/3 per cent and 51 per cent is not large, and it will speedily close, with the syndicalists in ascendance. The doctrinal differences between the several groups is negligible. The influence which holds the elements apart is the conservatism of those who are content with the present status of their union affairs, believing that their unions can get for them whatever they want; these are chiefly contained within the orders of the steam railway unions. Aside from this the influence which keeps the several components of the labor world apart is mere jealousy of leaderships. Even in the case of the railway unions, the prevailing condition will not long obtain. The pressure of ever rising cost of living behind the unions will continue to force periodic demands for higher wages, and will either drive the railroads out of the hands of their owners and into those of the government, thereby accomplishing thus much of the Socialistic State program, or there will be strikes which will consolidate the other divisions of the industrial army, and we shall have in the United States the same expression of the mass strike which is moving in England.

It is a notion of the Socialist agitator that not only will the country be converted into a Socialist State but that he will be landed high in the councils of the made over nation. In this he is mistaken. There are few men in the Socialist movement who would go far toward the zenith in that firmament of politics in which they had to vie with all and sundry of the most excellent of the country. The great geniuses in American life of this day are not in politics. They are in invention and finance—those fields in which, until very recently, the largest rewards requited their efforts. When the State was the most remunerative factor they were found in office; in the days when religion was the dominating influence, they were in the Church, and Richelieu, Mazarin and the rest presented instances of the most potential minds of the day, working in the region of greatest power. Under Socialism, however, there would be present in the State the condition which would draw to its exercise the highest talent that exists. Private business being no longer profitable, they will turn to that locality where profit and power abides, and they will enter upon the functions of the State. This is coming now to be the case in those countries of Europe where Socialism is strong. In Germany men of large finance and business have taken hold of it and become its leaders, eclipsing and extinguishing those minor entities who having borne the heat of the day expect rewards with success, only to find to their chagrin themselves supplanted by talented and distinguished strangers, who, having done nothing to help build up the movement, take the exercise of the power from the hands of its progenitors and long time servitors. In Belgium Ernest Solvey, a wealthy manufacturer, has recently given a million dollars to the Socialist cause, and the plaudits with which his donation was greeted by the Socialist

press at once exonerated him from all odium which otherwise besmirched him as a member of the hated capitalist class.

The same phenomenon is noted in the United States. Hitherto the minor, or so-called mushroom parties, like the Greenback or the Farmers' Alliance parties, after a period of rise and more or less flourishing growth, have subsided and disappeared through the absorption by one or both of the larger parties of the leading and practicable planks of their platforms. When this has not been the case, as in the Prohibition party, such party has persisted. It was to be expected, therefore, that notwithstanding the adoption by both the Republican and Democratic party platforms of various of the demands of the Socialist party, as limiting the labor of women, workmen's compensation and others, there would arise yet another party which would go even farther in the direction of Socialism than either the Democratic or Republican party, and would seek to place itself in the way of overcoming the Socialist party. This has occurred in the rise of the Progressive party.

It may be observed that while the Democratic and Republican party both incorporated in their platforms certain planks of the Socialist structure, such accretions were merely additions to the respective edifices; they did not disturb the foundations of either party. After these specific adoptions, both the party of Jefferson and that of Lincoln remained parties of the Constitution. But with the installation of the Progressive party there came into existence a new organization, planned like the Socialist party, to overcome and eliminate the Constitution and substitute another rule, the only other rule possible, viz., the more or less uncurbed will of the sovereign.*

The distinctive character of the Progressive party was admirably elucidated by Mr. Winston Churchill in a speech delivered in San Francisco on April 12th, 1913, at a banquet at which were present practically all the large figures of the Progressive movement in California, the twin State with New York in its installation. Brief speeches were made by the party leaders, but the address of the evening was by Mr. Churchill, whose name was coupled with that of Governor Johnson as the latter's running mate in a future Progressive race for the Presidency. This speech of Mr. Churchill is extremely important, as it shows explicitly the nature of the Progressive sodality, from which we are able definitely to catalogue it as a Socialist, and not a Constitutionalist party. And in this behalf it is apropos that we regard the demands of the Socialist party as presented in its most recent national platform. Aside from collective ownership, and "democratic management," of all means of transportation, storage, and distributing

*The form of a deliberative body is usually preserved in a democracy when absolutism supervenes, whether such absolutism be crowned or uncrowned. The Roman senate and assembly were both preserved under the absolutisms of both Julius and Augustus Caesar. "His obedient senate" was a figment, but nevertheless a component of the despotism of Napoleon. The Congress of Diaz in Mexico and the legislatures of Governor Johnson in California, are instances of democratic forms lingering in the presence of imperialistic absorption and domination of the law-making power, a phenomenon now widely manifest in the United States, in which the case of California is by no means isolated.

agencies, of all mineral deposits and forests; the "collective ownership of land where practicable, where impracticable the appropriation and collection of all rentals held for speculation or exploitation," etc., it embodies the initiative, referendum and recall; abolition of the Senate and of the veto power of the President; abolition of "the power usurped from the people by the Supreme Court of the United States to pass upon the constitutionality of legislation enacted by Congress"; national laws to be repealed only by act of Congress or referendum of the people, an amending process of Congressional laws by a majority of voters in a majority of the States; an immediate reduction of the power of the Courts; the abolition of all Federal District and Circuit Courts; the election of all Judges for short terms; a convention for revision of the Constitution of the United States.

The government is to be radically changed. The Senate must be abolished. We are to go back to the unicameral system of the Republics of the Italian middle ages. This single chamber is not to be held in check by either the President with the veto, or the Supreme Court with the constitution. What this chamber does can only be reviewed by "the people,"* by referendum or "a majority of the voters in a majority of the States." The constitution in such case is a floating kidney; it may be anywhere, or not at all; in either case it is practically nugatory, and the "revision" of it, for which the Socialists' program calls, is really to get it out of the way. Such a convention, however, would not be really necessary in order to destroy the constitution. It would be effectively wiped out by eliminating the power of the Supreme Court to determine the constitutionality of acts of Congress. If there be no authority vested anywhere to determine whether the laws infringe the constitution, then the constitution is effectually dead. It is no longer a paramount instrument, for none may say it is paramount, and it is no longer any restraint upon the law making power. The latter becomes hence supreme, and Congress may proceed to make laws in contravention of it without regard for its existence. The idea of a government of limited powers at once disappears, for the powers of Congress are unlimited, and it may legislate against the life, the liberties or the property of the citizen, against the existence of the States or any of that scope of powers vouchsafed to them, and there is none to say it nay. For if it shall be asserted that there exists the referendum to the people which shall supply the place of the discarded checks, let me answer that in a few years, whatever fragment or resemblance of such procedure would remain after having experienced the abuses, deceptions and subversions to which it would be immediately subjected, would be repealed and abolished by this same Congress, and who would stop its doing so?

Bearing the foregoing in mind, we have before this aggregate of California Progressivism the distinguished speaker of the evening, Mr. Churchill, who upon being introduced by Governor Johnson, and deferring

*See page 50 herein.

with fitting genuflections to the altar of the Chicago platform which he avowed was the "second Declaration of Independence," said:

"Of what was the declaration of 1776 an expression? We immediately answer, of the rights of man, and this is the kind of vague answer with which we have hitherto been content. That declaration, and a little later the French revolution, marked the culmination of the long struggle of the common people of the oppressive governments of gone-by centuries against the irresponsible tyranny of nobilities. But what is of vital importance for us to realize is that the Declaration of Independence was the embodiment of what at that time was a new philosophy in government, and of one which was hated and feared by the ruling classes. It was the philosophy worked out by Rousseau and the 'social agitators' of that day, and which was so ardently taken up by our patriots, such as Benjamin Franklin and Thomas Jefferson. It was called the theory of the natural rights of man.

"Now, since this philosophy was the salvation of a liberty-loving people in the eighteenth century, and since it has, curiously enough, become the stumbling block of a liberty-loving people in the twentieth century, it is of vital moment for us to understand it; and particularly because it is at the root of our common law and of the constitutional system under which we are still living.

"Its idea is, briefly, that the welfare of the State is secondary to that of the individual citizen. And it was evolved in this way: Under aristocratic governments, the common man had no legal rights whatever that the ruling classes would recognize, and when the struggle for these rights began it was necessary for the philosophers to rest them on some ground which the aristocrats could not deny. So they rested them in nature itself. They declared that the very act of being born into the world gave every man certain inalienable rights which no aristocratic government could take away—such as life, liberty, the right to hold property and to make contracts, and another right which was somewhat guardedly designated as 'the pursuit of happiness.' These were the rights which, by reason of his birthright, a man could not cede to his government.

"The trouble with that philosophy, we perceive now, lay in a misconception of the State, and was natural enough in a period when modern science was still in its infancy. The individual, because he believed that he was born beyond the jurisdiction of society, as it were, kindly consented on certain well-defined terms to become a part of society. The individual is therefore the primary unit, the State the secondary. The State is a necessary evil, and there should be as little government as possible. It was as much as to say that a man might live, if he wishes, entirely outside of society. And he clung to his 'inalienable rights,' no matter how much this clinging might interfere with the welfare of society in general. That society should gradually reach a condition in which these 'rights' of the individual would tend to make life unbearable for the majority, was, of course, in that day not foreseen. This alone could reveal the flaws in such a philosophy.

"It was not until the nineteenth century that Darwin came forward with the scientific theory of evolution—one which has had the profoundest effects upon philosophy. Not only the prevailing philosophy of today but the common sense of our age is beginning to see that society itself has grown by a process of evolution, and that the individual develops through society. That whatever we are, whatever value we have in the world, that value is actually created by society. And after all can we help living together, even if we desire not to do so? We are at length discovering for

ourselves the great Christian truth, which the naturalistic philosophy of the eighteenth century denied, that we grow, paradoxically, through service to our fellow men.

"Thus, according to our present-day enlightenment, society and not man is the primary unit. And our constructive political efforts today are all on that principle. And what happens when we try to make laws which will tend to incorporate that principle into government? We come up against our constitution, against our common law itself, as against stone walls, for the simple reason that that constitution and that common law are the hardened expressions of a philosophy which has served its usefulness in the world, and has now become an obstruction. For a century lawyers of this school have ruled the United States, and these have absorbed this philosophy as a child absorbs its mother's milk."

Here we have the doctrine in a nutshell; the principle of individual liberty is all wrong. The State is not subservient to the citizen, it is his master. It is not an instrument which he has formed to use the collective force of his fellows in the preservation of his rights, for he has no rights, he has only privileges; his rights are foregone into the body of society, and he will do what the State permits him to do, and that only. Hence, a written constitution is completely out of the question, and it must be swept aside. No instrument that purports to define human rights has any place in a statesmanship which denies the existence of any human rights at all, which holds that man is not a citizen but a subject. So long as such constitution exists it is "a stone wall" against the application of such philosophy, notwithstanding the fact that its principles are being eaten into, and its masonry carted off by judges and legislators who, infused with the doctrines of Mr. Churchill, have, as opportunity offered, been devoting their energies to shoveling it away. Mr. Churchill continues:

"The fact that the courts have not always been consistent in their decisions, that the bias of individual judges or the force of public sentiment has resulted in opinions at variance with the eighteenth century spirit of the Constitution, are evidences of that conflict which is raging in the soul of our civilization. And the further fact that there has been evinced on the part of our courts a tendency to use the power of the State to protect minors and women from exploitation does not help matters greatly so long as the old philosophy remains entrenched. A nation, like a man, may be at war with itself, and that is precisely our condition today.

"What phenomenon has occurred in the world to convert the philosophy of the natural rights of man from a blessing to a menace and even a curse to society? The question may best be answered, I think, by a figure. Our ancestors built up a fortress of liberty, and faced its walls in a certain direction—in the direction in short of those hostile forces which threatened it at that time, the serried ranks of a political aristocracy of privilege. Mark the word political. For the danger was from those, mind you, who used the power of government to oppress. And behold, scarcely have the walls been standing a hundred years, and the power against which they were erected has faded into a phantom. We hear occasionally from patriotic capitalists the cry of "Dictator!" but no sensible person is really alarmed on that score. Little by little government and politics have grown more and more democratic, until we were lulled into a fancied security; we flattered ourselves that all the enemies of liberty were dead. And all the while stealthily

and wholly unperceived, another and new army has been gathering against liberty—and in a direction from which we never dreamed any danger would arise. Behind the very bulwarks which our ancestors built up. And, as it has gained force, this new army has pressed in on us, and pressed in until the very bulwarks have become the walls of our prison, hemming us in on the only side where now liberty is possible.

“This new army is the army of industrial and economic privilege. And the question is today what bulwark shall we have to erect against them? Nay, we shall have first to tear the old one down, for they are actually using this against us to their own advantage. That which was a bulwark of liberty has suddenly and amazingly become the very fortress of privilege itself, and of a new kind of privilege!

“Of what philosophy shall we make the bricks of our new ramparts?

“At the time when our constitution was written, we see, the political order was an aristocratic one, and the economic order the humble and democratic one. And it was a thing never dreamed of in the philosophy of that day that modest shopkeepers and manufacturers would ever rise to form an arrogant and menacing class. What had liberty to fear from them? All they asked of the political aristocrats was to be ‘let alone’ to pursue their livelihood in peace. To be let alone. That cry ironically enough, has become the watchword of the modern industrial oligarchy today. The eighteenth century was indeed the day of democracy in trade, of an easy transition from employe to employer, of opportunities relatively equal and of a widely distributed wealth. But today, how different. The small producer is being ruthlessly crushed by the sheer economic power of the trusts, society is settling into economic layers, the opportunity to the poor man is growing less and less, and enormous wealth is concentrated into a few hands.

“Is it any wonder then that we hear today these gentlemen of the corporations and their lawyers appealing to the ‘sacredness of the constitution’? Is it any wonder that the legal lights in the Republican party stick to the outworn philosophy in the common law? Let me quote from Professor Overstreet: ‘Today for the first time the common law finds itself arrayed against the people . . . It exhibits too great a respect for the individual and for the intrenched position in which our legal and political history has put him, and too little respect for the needs of society when they come in conflict with the individual, to be in touch with the present age.’

“I need, in such an audience as this, only to refer to the numerous cases we all know about of laws for the social welfare, health and safety demanded by the people, passed at length by reluctant Legislatures against the will of corporations, and reversed cheerfully by members of the bench because they are in opposition to the dead philosophy in our common law and constitution. Our age presents no greater mockery than this. A law may be passed, for example restricting the hours of labor for women who are to become mothers of the race. It is nullified by a court on the ground that it is interfering with the right of private contract, and that a woman’s labor is her property to do as she chooses with, even if she be killed in the performance. To whose benefit does such a decision as that redound? To the benefit of the woman? Or to the benefit of the manufacturer who turns on the economic pressure? The highest court in New York reverses, because it is taking away property without due process of law, an employer’s liability and workman’s compensation act which is clearly in the interests of humanity. And the same thing happens to a

law prohibiting the manufacture of cigars in the home, although the home may be reeking with filthy diseases.

"So long as that philosophy is in our Constitution and common law, we must expect such decisions. It is the State, we see now, and the State against which the constitutional suspicions are still directed, which is the friend of the oppressed."

"*L'etat, C'est Moi!*" said the French king, slapping his chest with a hearty blow, as we may well imagine—*The State?* I AM THE STATE! and here is the *fosse* into which the whole battalion of these doughty Quixotes with their poised lances of ancient philosophy* is plunged and submerged, in their assault upon the "wall" of the Constitution of which Mr. Churchill complains—they do not discriminate between the State and the Rulers of the State!

It is characteristic of the use of power over the wills of others to differentiate those who administer the power from those who are subject to it. Only in relations that are reciprocal and interdependent, does the exercise of authority coördinate with feelings of fraternity and mutual desire for benefit. There is no station or province in life that so quickly segregates men into classes as the authority of political rule. China is not the only State in which the ruling class, now as of old, were and are so far lifted from the body of the people, that they even speak another tongue—the mandarin dialect. The person of the governmental head becomes sacred. He takes his powers not from the people, but from God, to Whom only he is accountable, and he traces his ancestry into the *lares* and *penates* of divinity. Few are admitted to behold him, and these ordinarily may not look upon his face, but must prostrate themselves at his feet. His name must be treated with reverence; men may violate the fourth commandment, and scoff at Heaven, but if they speak lightly of the Czar they are jailed for *lese-majeste*. It is true that in this modern period not all absolute governments hedge their kings with such seclusion. In this day of ferment amongst the masses, the ruling entity is no longer swathed in mystery, but he is haloed with the spectacular. The names which used to be spoken in whispers with bared and bowed heads, now flaunt in the newspapers under pictures of His Majesty laced with tinsel and capped in fur, seated in an open barouche in line of a great procession. The imagination of the multitude is reached and affected in the opposite way to what it once was, and, as said Napoleon, "imagination rules the world!"

There is no more profound wisdom expressed anywhere in the scheme of the Commonwealth, than that of its provisions aimed at preventing the individuals who are called upon to rule, concreting into a class. The

*The republics of Greece and Rome had no conception of individual liberty. All political ideas necessarily concern man as a social animal, as a member of society—a member of the State. The ancient republics put the State first and regarded the individual only as a member of the State. They had in view the public rights of the State in which all its members shared, and the rights of the members as parts of the whole; but they did not think of individuals as having rights independent of the State, or against the State. Elihu Root: Experiments in Government and Essentials of the Constitution, N. A. Review, August, 1913.

tendency to crystallize is constantly broken by expiration of the terms of elective office. The rulers are drawn from the body of the people, invested with powers, and they are at definite, predetermined periods returned to the body of the people, stripped of their powers, and made to feel that they are again of the sea of the commonality. Only by written constitutions can this be effected; and when we strike down government founded on a written document, and wipe out written law, be it code or common, we have no longer government by law, but we have *government by men*, and if there be any lesson in the school of history which we are taught, if we be longer open to its teaching, it is that governments are oppressive and outrageous toward their peoples, just in degree as they are ruled by men and not by law.

Mr. Churchill acknowledges his indebtedness for the views he espouses to Professor Harry Overstreet, erstwhile of the Chair of Philosophy in the University of California. Again the baleful influence of the College professor. It will, I think, be information to the country that Socialism has penetrated the heart of our educational system, and when the defender of the Constitution looks around him for his foes, he finds the most formidable of their barricades built of the furniture of our Universities. Professor Patten* tells us that:

"It would be nearer right to say that in 1912 all thinkers are Socialistic. Either as a matter of principle, or by some type of dualism, they admit it as an element in their thought or as a mode of expressing their feelings. The important book in bringing about this change is Professor Seligman's 'Economic Interpretation of History.' Without exaggeration it can be said that this is the bible of American Socialism. Instead of going to the writings of Marx, Socialists refer to it as an authority of fundamental topics. This of itself would be a matter of importance, but its real influence lies in the fact that it enabled a large group of American thinkers to accept Socialism, and to express their ideas in its terms."[†]

There is no doubt that Professor Patten is correct, and in proof thereof we may turn almost anywhere amongst the latest books that are appearing upon politics and sociology, written by men who hold reputations for learning, wisdom and ability. Take, for instance the recent book by Brooks Adams a noted lawyer and publicist of the east, and remark his disparagement and apparent despair of the Constitution:

"In the United States we have carried bills of right and Constitutional limitations to an extreme, and yet I suppose that few care to maintain that during the nineteenth century life and property were safer in America or crime better dealt with than in England, France or Germany. The contrary, indeed, I take to be the truth, and I think one chief cause of this imperfection in the administration of justice will be found to have been the operation of the written Constitution. . . . Although our written Constitution was successful in its primary purpose of facilitating the con-

*Simon N. Patten, Professor of Political Economy, University of Pennsylvania.

[†]"The Reconstruction of Economic Theory," American Academy of Political and Social Science, 1912.

solidation of the Confederation, it has not otherwise inspired confidence as a practical administrative device.”†

Notwithstanding the influence of Prof. Overstreet however, there was nothing uttered by Mr. Churchill in the approving presence of Governor Johnson, that was at all at variance with the definition of the doctrines of the Progressive Party, as expounded by Col. Roosevelt throughout the country in the Roosevelt and Johnson presidential campaign. In the Colonel’s mouthpiece and party organ, of which he himself at the time was an editor, *The Outlook** we find the same expressions declaring in favor of the Socialistic State as against the Commonwealth. *The Outlook’s* article is entitled “The New Freedom,” and seeks to distinguish between the brand of freedom dispensed by the Progressives, and the quality of the same declared by President Wilson, which was Constitutional government proceeding in its proper sphere in dealing with new questions which have arisen in the course of the industrial development of the nation. This however, the *Outlook* regards as the “old freedom,” and the “new” is that Socialist variety which we have been discussing. *The Outlook* says: The Old Freedom is individual, the New Freedom is social. The Old Freedom demands a government of narrowly limited powers, the New Freedom desires a government of expanding powers. The Old Freedom believes that the individual can care for his own interests; the New Freedom believes that individuals can combine in caring for their common interests. The Old Freedom is afraid of power—steam boilers sometimes explode; the New Freedom welcomes power for it believes that steam engines can be so regulated that they will not explode. The Old Freedom says every man for himself and sometimes adds, under breath, the rest of the proverb; the New Freedom says: Let each man care for all, and society care for the hindmost. The Old Freedom is afraid of great industrial organizations, and wishes to dissolve them; the New Freedom believes in great industrial organizations, whether of labor or capital, and wishes to control, direct and employ them.

I do not think that Mr. Churchill’s pronouncements could have had a more suiting summing up than is found in these utterances of Col. Roosevelt or his associate. They check off explicitly with corresponding declarations of Mr. Debs or Mr. Haywood. In fact it is well recognized in the Socialist world that all the proposals for which the “Roosevelt Progressives” stand, are Socialistic, and are known to Socialists as “reforms.” These so called “reforms” are enumerated in the *Outlook’s* “New Freedom” article as, among others,

†*The Theory of Social Evolution*, by Brooks Adams.

Note also the following from the San Francisco *Chronicle* Sept. 4, 1914: “No such thing as the natural inalienable rights of man exists,” declared Professor Ira B. Cross of the department of economics of the University of California yesterday before the United States Commission on Industrial Relations. “The only rights are the rights of society. Industrial unrest and warfare between employer and labor will continue until the employing class is made to see that the right it claims of conducting its business in its own way must go down before the rights of society.” Dr. Cross assigned as the greatest present cause of industrial unrest the feeling of the workingman that he cannot get justice in the courts. He asserted that the unions have done only the things that have been forced upon them by the employers. Another cause mentioned by Dr. Cross is the general rise in prices. He proposed as a solution of this difficulty Government ownership of all gold mines and a standardized dollar.

*July 11th, 1914, p. 584.

"The short ballot; the direct primary; the initiative, referendum and recall; preventing child labor, limiting woman's labor; preventing overtime and under pay for all labor; and putting the perils of modern industry upon the community."

The latter of these namely "preventing overtime," may be interpreted as the *eight hour law* with which we have entitled this essay; the "under pay" is the *minimum wage*, and "putting the perils of modern industry upon the community," is *workmen's insurance* or compensation. To these Mr. Churchill adds *limitation of production* in his statement: "unregulated production causes distress by periods of stagnation and oversupply." This limitation of production is one of the familiar "regulations" of labor unionism, which fixes the number of brick a man may lay, the number of cigars a journeyman may make, the number of bottles a blower may blow, the number of barrels of lime a plasterer may mix, etc., as a day's work, a system and a principle that runs throughout unionism, the scale fixed on the basis of the moderate performance of the most inefficient man; it being assumed that if this output were exceeded, not only would there be manifest a dissatisfying disparity in the performances of the laborers, tending to a weeding out, or reducing the wages of the less efficient, but by reason of the excess production in the market, there would be thus much less to be done by idle laborers, who otherwise might be employed.*

To the exercise of the recall upon officials the Roosevelt Socialism adds the recall of judicial decisions. This also is a method of getting the constitution out of the way. Senator Root points out this would not be as it is commonly supposed it would, a popular reversal of the decisions of the Court, it would not be judicial, it would be legislation by the populace. The Senator states:

"The action would not be a decision that the court was wrong in finding a law unconstitutional, but it would make a law valid which was invalid before because unconstitutional. In such an election the majority of voters would make a law where no law had existed before, and they would make that law in violation of the rules of conduct by which the people themselves had solemnly declared they ought to be bound. If it

*Certain labor unionists, notably John Mitchell, are opposed to limiting of production by the unionists. The reasoning Mr. Mitchell employs in defense of his position is correct. See "The Case Against the Labor Union," by Dr. Washington Gladden, *Outlook*, March, 1911. But the labor world has never followed in practice the views of Mr. Mitchell, notwithstanding they stoutly deny that the union does limit output, a fact that is within the knowledge of anyone employing unionists in work susceptible of measurement. See "The Battle Line of Labor," by Sampel P. Orth, *World's Work*, January, 1913. "Foundries and machine shops were specific in their complaints on this line. In one Eastern shop I was told that in their foundry they were making large cast-iron pulley wheels. The men were making two a day. A test was made and it was found that four could easily be made. But the man who made the test came to his foreman after a few days and said he would have to quit working so fast. The union had fined him \$50. Some unions have defined a day's work. The lathers at Chicago at one time called twenty-five bundles the limit of a day's toil, and the Chicago carpenters resolved that 'any member guilty of excessive work or rushing on any job shall be reported and be subject to a fine of \$5.' The bricklayers of Boston forbade practices that would 'jeopardize the interests of a fellow member,' like 'putting the lime on more than one course at a time.' Plumbers must not ride bicycles to or from work."

The concept upon which limiting output rests, and which therefore accounts for the universality of the practice amongst the unions, is that the more work that is done, the less remains to be done. That the market must not be overproduced, but that scarcity of product and scarcity of laborers must be maintained. Both of these postulates are exactly opposite to truth. Opportunity to labor rests upon abundance of product and plentitude of laborers, as I have shown in my prior pamphlets. Mr. Churchill in his proposals to "regulate production," meaning *limitation of production*, is uttering one of the basic and most fatal fallacies of labor unionism.

can be exercised at all it can be exercised by a majority whenever they wish to exercise it. If it can be employed to make a Workmen's Compensation Act in such terms as to violate the Constitution, it can be employed to prohibit the worship of an unpopular religious sect, or to take away the property of an unpopular rich man without compensation, or to prohibit freedom of speech and of the press in opposition to prevailing popular opinion, or to deprive one accused of crime of fair trial when he has already been condemned by the newspapers. The exercise of such a power would strike at the very foundation of our system of government." And I have not the slightest doubt that if extinguishment of the constitution is close at hand it will disappear by the routes which Mr. Roosevelt shall have adopted and suggested. The Recall of Judges and the Recall of Judicial decisions will do it. Men may hesitate in deliberately assembling a convention to obliterate the constitution, but if it can be by piece meal gotten out of the way, by repealing by popular vote upon a popular question this or that of its provisions through reversing decisions or recalling judges, that is the avenue through which it will readily disappear.

The Socialist does not care that these numerous "reforms" are adopted by various legislatures. He regards their adoption as "clarifying class lines," and drawing nearer to the goal of the Socialistic State. In this he is undoubtedly correct. Spargo and Arner say:

"No new order can spring full grown from sudden revolution. The transition is already in progress. Every move in the direction of the Socialization of the State, while not itself necessarily Socialistic, is a part of the adjustment of transition. Long before any nation consciously and voluntarily adopts the Socialist ideal, it will have already tried many of its features. Social evolution has always been a constantly accelerating process, and it seems probable that the social revolution now in progress will reach its culmination, Socialism, in a shorter length of time than any of the great social changes of the past."

The Socialist like the Progressive, "believes in great industrial organizations;" the Progressive thinks he can regulate such through the State; the Socialist sees in them the shaping up of industry preparatory to its being taken over and operated by the State. The Constitutionalist, (the individualist) however, the *Outlook* says, is "afraid of great industrial organizations." The *Outlook* is in part mistaken; the Constitutionalist is not afraid of such organizations because they are great, but he is afraid of the monopoly upon which they are so often based, by virtue of which they so often exist, and which neither the Progressive or the Socialist care a rap about, but rather regard as a quality common and necessary to industry, which in one instance must be "regulated" by government while remaining nominally in individualistic hands, and in the other must be taken entirely out of individualistic hands and conducted altogether by government.

The Industrial Unionist, however, declares "a plague on both your houses." He is against all "reforms." His method is mass strikes. He would attain the Socialist State as a development out of the Socialist movement. When the Progressive, having taken from the Socialist prac-

tically all of his several and many panaceas or "reforms" has, in coöperation with the Socialist brought the country to a pro-Socialist mind, the multitude seeing no avenue of escape from intolerable conditions save the great industrial monopoly which the Socialist designs as the State—at that time the Industrial Unionist will come forward with his mass strike, his final Waterloo charge, which will rout the constitution and clear the whole field of individualistic citizenship; whereupon the socialized state will arise, organized and doing business, at a stroke.*

Seeing now the cleavage in the politico-industrial realm of the country to exist with the Socialists, Progressives, Labor Unionists and Industrial Unionists on one hand, and the Constitutionalists on the other, the latter comprising the Republican and Democratic parties, except in so far as the platforms of these parties give adherence to divers of the Socialist "reforms," it becomes needful to examine these several "reforms," to consider their nature and operation. Broadly they all draw the State from its function of governing into the region of procuring to the citizen that which, under free conditions he could readily attain to himself, and are therefor based upon the hypothesis that individual freedom is incompatible with civilization. For as civilization rests upon applied science, and expands and rises just as such science becomes more developed and refined, so are the great units of industry expressions of the civilization which the sciences create. To find it necessary therefor, that the State should come forth, with its laws and force in order that under such civilization a man might get a living while defended from being crushed or starved in the process, is to condemn civilization in its free action as a harm to man. It has indeed so seemed to many who bear great reputations as thinkers in various avenues of thought. Only a few years ago Professor Huxley wrote:

"Even the best of modern civilization appears to me to exhibit a condition of mankind which neither embodies any worthy ideal nor even

*The chief doctrinaire of the industrial union in the United States was Daniel De Leon, an erstwhile lecturer on international law in Columbia University, who recently died. De Leon set forth the principles and purposes of the Industrial Union (I. W. W.) movement as follows:

1. Industrial Unionism, organized in harmony with the mechanism of concentrated capitalist production, is the condition *sine qua non* of the revolutionary movement. Mere industrial unionism, however, is insufficient; it must be revolutionary industrial unionism.

2. By means of the industrial organization, the workers can secure all the immediate betterments they require—immediate reforms which, gained by means of the power of the workers through mass strikes, constitute steps toward the final goal, develop the integrity and self-reliance of the proletariat, and prepare it for its historic mission.

3. The movement should not deal in political reform. Reforms of this character benefit the Middle Class and the Aristocracy of Labor almost exclusively, and will be yielded by the ruling class itself—a theory now being proven by capitalist Progressivism. Political reform is a menace to the integrity of the revolutionary movement.

4. The Socialist political movement is purely agitational; its mission is not "constructive politics," but to lash onward the bourgeois parties by an aggressive policy, warm into life the revolutionary spirit of the workers, and courageously develop the necessary sentiment for revolutionary Industrial Unionism. Only upon this basis is political action justifiable.

5. The goal of the revolutionary movement is the overthrow of political government, which means the overthrow of all class rule—the substitution of industrial representation for territorial representation, industrial administration for political government. Industrial Unionism not only organizes for the immediate, every-day struggles of the proletariat, but prepares the structure of the future society, organizes the Socialist State within the Capitalist State, ready to assume control of society; in other words, the revolutionary act will be performed by the industrially organized proletariat; and Industrial Unionism will not only be the most powerful force in overthrowing Capitalist society but will constitute the basis of the Socialist society of the future. *The New Review*, July, 1914.

possesses the merit of stability. I do not hesitate to express the opinion that if there is no hope of a larger improvement of the condition of the greater part of the human family; if it is true that the increase of knowledge, the winning of a greater domain over nature which is its consequence, and the wealth which follows upon that domain are to make no difference in the extent and the intensity of want with its concomitant moral and physical degradation among the masses of the people, I should hail the advent of some kindly comet which would sweep the whole affair away, as a desirable consummation.”*

The Socialist group to which I have referred, therefor, would avert such calamity, preliminarily to the assumption by the State of all powers and properties, by the schedule which the *Outlook* and Mr. Churchill set forth, and which we will consider:

And in this behalf it should be remarked that there are certain of these demands with which the Constitutionalist has no quarrel, for they rest upon individualistic principles. Take for instance the planks against child labor. It is assumed there should be legislation preventing a child from entering gainful industry prior to its sixteenth year. Whatever the year may be, there is no doubt that the principle which underlies this order of restrictive legislation is correct. The reason is that prior to some age in the region of adolescence, the child cannot be said to be moved into industry through his own will, but is so placed by his parents. These latter owe a duty to the child of his care, sustenance and education. Every one is entitled to a period of childhood, a season of play, of growth, of fitting oneself through schooling, until he is matured and equipped to turn to the walks of industry, and there perform his tasks under conditions as far normal as his unimpaired natural capacities will allow. By permitting the immature to be turned to earning a livelihood, the parent evades his responsibilities to the injury of the child, and against what must be assumed as the child's will. At this juncture the State steps forth with its function of securing each in possession and exercise of his rights, of holding an equal hand between man and man, and turns the child from the factory back into the home. A normally minded parent surrounded by normal industrial conditions, would refuse to deprive his offspring of the pleasures of childhood, and scorn the paltry sums which its little hands would wring from industry. The State under the Constitution, predicated upon the operation of the normal, asserts on behalf of the child that which, against the normal parent, would require no assertion. It is the State preventing a wrong, which is always an indivisible function of sovereignty. And if it should occur that the parent could not support the child, or it be turned adrift upon the highways, the State as the ultimate factor in all affairs of its citizens for their protection and safety, is duty bound to come forward to its succor; and it has never refused to assume such obligation. Only, however, in such extreme cases is the State justified in thus asserting itself actively into the

*“Government; Anarchy or Regimentative,” *Nineteenth Century*, May, 1890.

domestic matters of the citizen; when he is helpless through infancy, or through illness and requires relief and care, and there be no willing hand held forth to aid him, the State is in *loco parentis*, the ultimate parent and friend, just as it is the ultimate legatee of his estate if there be no person otherwise entitled, or the owner of property which has no lawful claimant. These are all proper and necessary functions of the State, but they are widely different from those aspects of State interference and responsibility in the affairs of the people, in which the Socialist seeks to place it.

When for instance, the State tells a woman that she cannot work in industry to exceed eight hours in twenty-four, here we have in the highest degree an invasion by the State of the rights of the citizen. If the State may prohibit more than eight hours it may prohibit more than four, and if it has power to designate the number of hours one may work, it has power to forbid working at all; or if it permits one to work, it may prescribe the condition under which the right may be exercised. It can be seen that here at a swoop, practically the entire of human rights is swept out of the hands of the citizen into the body of the State; for if one is no longer free to work as he will, he is no longer free at all. Thence forward the sovereign is not a protector of his rights, but is his master, and he exists not by right, but by grace. Nor can the inhibition of the woman working beyond a prescribed period be confused with that order of enactments designed to protect the health, or to secure the comfort or safety of the workers, all of which statutes, where genuinely based upon such grounds, are proper and defensible, in that the government stands to protect one man from another. A man has a right to health, to comfort and to safety, and if he works for another, it is the duty of that other to surround him with conditions which conserve such; the State in interfering merely enforces a duty of one toward another; in other words, it prevents a wrong being done one through the failure of another to perform his obligations. This is the true office of the State. But when the State prescribes limitation of hours during which one may work for another, there is present none of these principles. There is nothing either unsafe, unhealthy, or uncomfortable in a woman working more than eight hours, and if there were there is no duty in the premises which could possibly be violated or neglected in either an employer suffering one to work longer than given hours or in the employee doing so; there is no wrong present calling the State forward to intervene between the parties, to secure one in a right which the other is traversing. Eight hours may be the proper time for some women to work; others may find the hours entirely too long, and may wish to work only four or five; while other women may be content to work ten or even twelve, and be not the slightest the worse in health, and much the better in pocket, for having done so. For the State, ostensibly "guarding the race," upon the assumption that it has a property in the woman from her standpoint as a bearer of children, and cannot trust her to care for her own person, to reach forth and take

from her one of her most precious rights, that of control of her own actions in the realm of industry, this I say is merely a specious reassertion of tyranny, which always begins its destruction of the liberties of the citizen by taking away rights upon more or less plausible pretences of public welfare.

This order of legislation is very old—the prescribing by the State of the conditions under which one may work, the primary condition being the purchase of the right itself from the State through the payment of a fee, it being laid down that the citizen possesses no such right, a doctrine completely conformable to the position of Mr. Churchill and his fellow Progressives, that the State and not the man is the primary unit, that man has no rights save those which are granted him by the State. Herbert Spencer, in an article printed shortly before his death,* says:

“Marvelous are the conclusions men reach when once they desert the simple principle that each man should be allowed to pursue the objects of life, restrained only by the limits which the similar pursuits of their objects by others impose. A generation ago we heard loud assertion of ‘the right to labor’—that is, the right to have labor provided; and there are still those who think the community bound to find work for each person. Compare this with the doctrine current in France at the time when the monarchical power culminated—namely that ‘the right to work is a royal right, which the Prince can sell and the subjects must buy.’ This contrast is startling enough; but a contrast still more startling is being provided for us. We now see a resuscitation of the despotic doctrine. Differing only by the substitution of trades unions for Kings. For now that trades unions are becoming universal, and each citizen has to pay proscribed moneys to one or another of them, with the alternative of being a non-unionist to whom work is denied by force, it has come to this, that the right to labor is a trades union right, which the trades union can sell, and the individual worker must buy.”

The passage from the State denying to women the right to work exceeding eight hours,† or denying to men and others employed underground or in reduction of ores the right to work more than eight hours,‡ to a law prohibiting all persons from working in excess of eight hours, which is contained in the bills now pending before the electors upon initiative, is a transition extremely easy to be made. What twenty years ago would have shocked the public sense, and been by the individual citizen considered outrageous even as a proposal, now finds thousands of enthusiastic adherents in every quarter of the country. So widespread has been the inversion of thought upon what are the rights of the citizen and where the State in approaching those rights must stop, that we find a multitude of advocates and defenders of this further encroachment by the sovereign, making known their views in speech and press. These auxilleries are generally labor unionists, invariably Socialists, and the arguments they employ in its behalf are uniformly Socialistic. The grounds asserted in furtherance

*“From Freedom to Bondage,” *Popular Science Monthly*, April, 1891.

†Statutes of California, 1911, Ch. 258.

‡Statutes of California, 1909, Ch. 181.

of the two prior statutes, in one case *the race* in the other *health*,* are not pretended in advancement of the adoption of these initiative bills. We are told however, that not only would this limitation of the period of work beneficially effect those laborers whom they would reach, by allowing a greater spell of leisure than they now enjoy, thereby tending to a higher type of citizenship, a claim that may be dismissed with its statement, but that a large number would work for from one to four hours less than at present, and this would create a call upon the services of many idle persons to do the work left undone by those who now perform it; and such idle ones, it is said, are always in the State in large proportion to the number actually employed. There is no doubt that the belief that by lessening the number of hours in a day's work the volume of work that is to be done may be made to "go around" amongst a greater number of laborers, whereby employment may be given to many otherwise idle—that this concept is the real influence behind all calls for eight hour days. Nor is eight hours to be considered the lowest limit of time which the Socialist-labor union program proposes. In a recent manifesto of the San Francisco labor unions^o it is stated:

"Labor's practical demands, made to individual employers, are for higher wages, shorter hours and better working conditions. Upon these three fundamental demands is built the whole philosophy of the labor movement." These demands are increasing; they are never gratified. "Samuel Gompers told me," says Samuel P. Orth†

"When I suggested that employers complained because the labor unions were constantly asking for more, were never satisfied: 'Labor has never received its full rewards for the vast benefits it renders to society.' Or in other words, they will get all they can. From this premise it is futile to seek a solution of the labor problem'."‡

It is well known that where a statutory eight hours has been attained, as in the antipodes, that the labor union agitation is rampant for a six hour and a five hour day. I recently heard a Socialist orator haranguing a crowd on the corner of Market and Stockton Streets in San Francisco, declare that two or two and a half hours "was the destined period of the Socialist work-day;" that "the great Austrian scientist——," some name he mentioned, had figured it out that if every workable-aged person in the world worked twenty-five minutes a day, with the use of modern machinery and methods, there would be ample of all things we desire to supply everyone. Indeed, Spargo and Arner, after pointing out that the Socialists parties of Europe demand the enactment of legislation establishing eight hours as the maximum work-day, state that "American Socialists make

*"A proper exercise of the police power for the preservation of public health." *Holden v. Hardy*, 169 U. S. 366. *Re Martin*; Supreme Court of California, Dec. 23, 1909.

^oEditorial in San Francisco *Bulletin* special edition in charge of labor unions, Aug. 8, 1914.

†"The Battle Line of Labor," *The World's Work*, November, 1912.

‡Great Britain had 1462 labor disputes in 1912, being more than double the average of the preceding twenty years.

their demand for the reduction of hours of labor more general, and demand shortening of the work-day in keeping with the increased productiveness of machinery." It may be readily perceived that the reason for limiting the demands of the European Socialists for eight hours, is that eight hours seems to them from the standpoint of their existing ten or more hours, a very much shortened work-day; when this has been reduced to the period which they desire, and the eight hour day becomes as common in the unionized industries with them as it already is in the United States, the demand will go up to shorten the eight-hour period as is now the case in New Zealand, and Australia, and as we may shortly expect to arise in the United States with the same fervor, and insistence as was placed by the Unions behind their demands for the eight-hour day.

The present initiative bill affects chiefly the unorganized laborers, particularly the agricultural and domestic interests, the former comprising the leading industry in California. In certain states and countries the Socialist eight-hour program excludes agriculture. Spargo and Arner say: "It is not easy to see how a measure like the eight hour law is to be applied to agriculture labor so long as agriculture retains its present form. The Socialists in Belgium frankly face this difficulty and limit the application of the eight-hour work-day, and other similar reforms, to the "industrial workers." The French Socialists, on the other hand, in 1902, specifically applied the measures for the regulation of the hours of labor to "labor in industry, commerce and agriculture" without making a definite statement upon the point. American Socialists have largely followed the example of the Belgians, and by implication at least, regarded agriculture labor as outside the scope of some of the laws proposed for the regulation of the hours of labor."*

We see therefor, that even according to the program of the American Socialists, their proposals in California in the pending initiative are different and in excess of those made generally in the United States. It may be noted however, that the initiative bill as drafted, denounces not the laborer but the employer and deals only with the employer where he acts upon "any overseer, superintendent, foreman or other agent of such employer," and does not make it an offense for the employer himself without the intervention of any agent, to suffer one to work longer than the prescribed period. This would indicate that the provision is aimed solely at those concerns in agriculture or other industry sufficiently large to employ help who work under some order of minister, and is not intended to thrust itself between the farmer and his "hired man."† The lunge is to disable the large concern, to strike a blow, in other words at "capital."

The idea that by doing less work there remains more work to be done, that by shortening the labor-day more men will be employed, and that the

**Elements of Socialism*, p. 343.

†The second initiative, however, reaches the employer without regard to the agent, and makes it a jail offence "to hire or require" any employee to work more than forty-eight hours in one week, except in the cases limited by the bill. In neither instance can the laborer himself do any wrong; he is not reached by the act, except as his hiring in the proscribed manner is forbidden.

laborer is thereby benefitted, is a belief that pervades both labor unionism and Socialism, and is a twin doctrine to that to which I previously adverted†, viz: that limitation of output is to the advantage of the laborer, for if men produce more than a given modicum, the interests of fellow workers are thereby jeopardized. To the same category belongs the doctrine that work can be "made," which expresses itself in the practice of loading upon an industry superfluous laborers, the creating of jobs where none economically exist, merely for the sake of giving employment to labor. This is expressed in the "full crew" statutes such as obtain in California* and was lately proposed by the shipping bill in Congress. The Calumet strike in upper Michigan of the Western Federation of Miners, which raged during 1913, grew out of a demand by the laborers that two men be employed on the one-man power drills, an improved piece of machinery which displaced the two man drill.‡ The "making of work" for the extra man on the drill is consonant with the "making of work" for the unemployed by the shortening of the work-day to eight hours. These principles are commonly believed to be correct. They are taught by our collegiates, accepted by "business men," and acted upon by legislatures, yet they are completely erroneous. For as the less work that is done, the less produce is created, and as the less the produce the less the demand for labor, it is manifest that by slacking off on either time of work, or quantity of product, the laborer is but denying to others the opportunity to get jobs, while through holding down production he is creating scarcity and raising the prices which he must pay when he converts his coin wages into his real wages, namely the things he buys. So that while the laborer, through shortening his time of labor, and half working during the period that he does work, is making things easier for himself, he is paying for that ease by reducing his own wages through increasing prices in the market, and while he may be creating jobs for a few of the out-of-work laborers, he is starving the others in their idleness, through pushing up prices of food beyond their ability to buy, and he is moreover setting in motion the forces which restrict such industry as exists to narrower limits, thereby again reacting to push out of employment a number perhaps equal to the new ones which the change engaged. The calling in of more men to do the work now done, which may be conceded as a result of the proposed new universal eight-hour schedule, would primarily reduce wages. If a man now received \$2.50 per day for ten hours, he would then receive \$2 per day for eight hours, for the change would mean that 20% more men would have to be put on to do the given complement of work. But it is the purpose of the Socialist that the rate of wages shall not be decreased; indeed, there was by the Socialists presented to the Secretary of State another initiative proposal to have been submitted to the electors in

†Page 30, note.

*Statutes of 1911, Ch. 49, requiring two brakemen, besides conductor and baggage men, on all trains of four passenger coaches or on any freight or work train.

‡See "An Economist on the Copper Strike," *Review of Reviews*, April, 1914.

the same manner, and at the same time as the eight-hour projects, fixing a universal minimum wage at \$2.50 per day, but through some defect contained in the petition, it was not certified. It may however, be expected to be cured and brought forward at the succeeding State election. The two laws, the eight hour set, and a \$2.50 minimum wage, would, it was doubtless believed, go admirably together—the minimum wage would prevent the employer from reducing the rate of wages when the eight hour laws took effect.

In default of a law, the implement by which the rate of wages would be protected from reduction would be the strike, and as the matter was of general concern among unorganized laborers, we should expect an I. W. W. mass strike, in which once and assumedly for all, the question would be fought out, in the presence of rotting crops and all other forms of waste incident to such conflict, for which the Socialist cares nothing whatever. Let it be allowed, however, that wages are permanently held at \$2.50 for eight hours; here is a 20% increase in wages. The question arises, who will pay it? The Socialist thinks it will be paid by the employer; but the employer knows it will be paid by the consumer, from whom it, and all added incidental costs, will be collected through a raise in prices. When "workingmen's compensation" went into effect in New York, for instance, fixing upon the employer the burden of paying to employees injured while in their service given sums of money, the employers placed the risk with insurance companies, and charged the premiums up against their customers by adding one cent per bundle to the otherwise free delivery of laundry, the customer having called to his attention that the penny was for the payment of workmen's insurance. It would be idle to quote instances of the universal practice of shifting these charges from the employer, the producer, to the consumer. All taxes and burdens, save the tax upon the value of land, are and must be so shifted, else industry could not exist. Whatever increases the cost of production, must necessarily increase the cost of the product to the purchaser.

Since the purchasers are for the greater part the laborers who receive the increased wages, and as all records show that the percentage of rise in the cost of living is always greater than the percentage of rise in wages, it is apparent that escape from the effects of "the wage system" for the laborer is impossible. He does not and cannot increase his wages by driving up the price of wages. "I receive \$100 per month," said a bar-keeper in San Francisco to me recently. "I have been twenty years at this business, and our wages have never been increased." "Then," I replied, "they have been reduced." "No," he answered, "they are just the same." "Yes," I said, "but when you go to buy things with your wages, you find prices have increased nearly 100% to what they were twenty years ago, do you not?" "Oh," he returned, "if you look at it that way, of course my wages have been reduced."

And here is the whole trouble, the whole cause of the "industrial

unrest," which Chairman Weinstock so earnestly inquired of Doctor Nearing the cause of, and to which the latter was unable to give a reply, viz: It is caused by the desire of laborers to procure for their services higher than economic wages. *They can never get it.* As soon as higher than economic wages is paid to them, the excess is added to the cost and they pay it back again in higher prices.* The ultimate effect of this process is to promote scarcity and to narrow the zone of labor, constantly holding opportunity to labor away from a vast multitude known as "the unemployed," for whom the Socialists pretend to exercise such care.

When the halibut fishermen of Seattle demanded of the boat owners "a larger percentage of the catch" for their wages, the latter had no difficulty in deciding that question. The catch was 100%; so much of this had to go to repair and depreciation of the boats, so much for paraphernalia, so much to pay interest on hired or invested capital and so much for overhead charges, wharfage, insurance, etc. As these charges were fixed, the issue was between wages and profits. The latter was an amount which the employer considered necessary to make the business sufficiently attractive to hold him into it. If he were obliged to give up this, or encroach upon it to the extent of being dissatisfied with it, he would leave the enterprise. Very assuredly he would not continue business through the eleemosynary impulse of finding employment for laborers. When therefore, these fishermen not content with their allotted proportion, struck, the answer of the skippers, in the coarse vernacular of the sea was, "Quit and be damned, we'll go out of the business;" and had the laborers not yielded, there would have been one less industry in existence, and a salty regiment added to the "army of the unemployed."

Had, however, the fishermen been working on wages of so much per month, the employers might have granted their demand for increase, which they must at once have turned upon the price of the fish and collected from the purchaser. Halibut would have been higher in the market; many who had been eating halibut would now prefer to eat another fish, better and of equal price, and there would be need for less halibut than theretofore. A concern that ran many boats, in other words, a "capitalist," would run a lesser number of boats, and some crews would be laid off.

*See Associated Press reports dated Washington, June 21, 1913, as follows: Except sugar, every principal article of food of the fifteen staples, representing about two-thirds of the expenditure for food by the average workingman's family, showed a decided increase in retail price on February 15, 1913, compared with the average price for the ten-year period, 1890-1899, according to the latest investigation of the statisticians of the Bureau of Labor. The prices were collected in thirty-nine important industrial cities in which live one-fifth of the total population of the continental United States. Sirloin steak, 60.8 per cent; round steak, 48.5; rib roast, 46.7; pork chops, 39.4; smoked hams, 69.1; smoked bacon, 111.6; pure lard, 62.3; hens, 66.6; wheat flour, 27.4; corn-meal, 56.1; strictly fresh eggs, 56.0; creamy butter, 63.5; potatoes, 23.6; fresh milk, 40.1. There was an advance of 3.2 per cent over February 15, 1912, in the relative prices weighted according to the average consumption of the various articles of food in workmen's families.

The same phenomenon is observed in England, and exists in all countries which in recent years have been the theatres of increasing demands of laborers for higher wages with their attendant shortening of labor hours and strikes. U. S. Consul Albert Halstead at Birmingham, England, points out that the purchasing power of the English sovereign or pound (\$4.8665 in American money) has decreased as compared with the American dollar, in 1895, to \$3.95 in 1912, the equivalent of 63 cents American money. These figures were determined upon the power of the money to purchase 23 articles of food included in the P-fish Beards of Trade's index numbers for retail prices. *U. S. Consular Report*, March 27, 1913.

Individual boats would not be able to sell all their fish at the high prices demanded, and quantities to be sold at all would have to be disposed of at a lower price; this would break the market, and bring upon them war by the larger concerns, with whom they would presently consolidate; prices would then be fixed at a uniform figure, and we would have a "halibut trust." The result of this operation would be to hold down the catch to the limit of what the market at the arbitrary price fixed would consume, and lay off all superfluous labor; at the same time to fight out of existence by whatever order of squeeze or force might be employed, any "independents" who might try to get into the business. Had higher wages, however, not been demanded, and the market price of the fish not thereby affected, business would have gone on as before, the several boat concerns competing with one another, their competition holding a reasonable price upon the market, a reasonable profit and a reasonable wage. The new comer who should come in could not permanently effect this condition; he might disorganize business for a while by selling his fish cheaper than the others, but he would do so at a sacrifice of reasonable profits, and that would not long continue, when either he or the weakest in the field would find it more profitable to go off into some more attractive order of business. If, however, he was able to continue selling at lower prices, it would indicate that his methods were superior to those of the others; he had better tackle, or better bait, or he managed his men and business more efficiently, and this circumstance would force the others to mend their ways, and we would have the influence of competition driving an industry to a higher plane of performance and service, which is the essential and natural quality of competition.

It can also be seen that minimum wages can be of no real benefit to the laborer. Minimum wages is an endeavor to increase to a given figure wages of those who get less than the minimum. The answer of the employer is to lay off those whom he deems earns less than the minimum, or if he is forced to pay it, thus much more is added to the cost of running the business and to the price of the product.*

But let us consider that the product of the industry is not a commodity, but a service, and a public service at that. Take for instance a railroad. We have the spectacle of sort of by common consent the railroads of the nation passed over to an Interstate Commission possessed of practically plenary powers over them, and in the event that any crevice be left in the zone of their activities, through which they may escape the espionage imposed upon them by Congress, there is created in the several States local boards of public utilities charged with the duty of playing the field against

*The legislative minimum wage as applied to private employment necessarily restricts the liberty of contract, creates an arbitrary discrimination between one class and another, not only of employers, but also of employees, and compels the employer to contribute, out of his investment and out of his earnings, for the benefit of his employees and for their sustenance, as well as for the general public benefit. Such statute, therefore, contravenes the express terms of the Federal constitution, prohibiting any State from enforcing any law which deprives a citizen of liberty or of property without due process of law, or which denies to any citizen the equal protection of the laws. *The Minimum Wage*. By Rome G. Brown, Minneapolis, Minn.

them. A certain order of State or Federal interference in such businesses is desirable and proper. We have seen by the New Haven railroad incident to which I have referred, and by many kindred instances of even recent occurrence, such as the Frisco railroad matter, that it is highly needful in the case of a great corporation receiving the funds with which to install or carry on its enterprise from stock and bond holders who buy their securities often on the public market, that these should be protected against the acts of an inside group who comprise the board of directors and who often owe their positions, not to their own moneys invested in the properties, but to funds of others under their control. Experience has shown that bank commissions, insurance commissions and such like boards are the necessary intervention of government to protect one set of men against another. That men given a free hand to use their discretions, aside from the performance of ministerial duties which are circumscribed by written regulations, cannot be altogether trusted. Concepts of their own advantage will conflict with their sense of duty to advantage others, while mere errors in judgment often occasion losses that another order of deliberation would have prevented. This is not exceptional in practice, for it often occurs; wherefore the presence of the State in its function of preventing wrong, of securing to each his rights, is wise and necessary. The bank commission regards the relation of the bank management to its depositors; the insurance commission notes the ability of the company to pay its policy holders. These aspects deal only with the ability of the corporation to pay its obligees. In the case of the railroads and other public utilities, however, the State supervision takes a wholly different turn. Instead of standing between the management and its investors it stands between the company and its customers—not those to whom the company owes anything, but to those to whom it renders service. The company is not permitted to determine the price of its product but this is fixed for it by the Board, through the process of rate making, which rates are determined not by the value of the service rendered, but by the amount of money invested in *active*, as distinguished from inactive property of the company, and this arranged to permit the investors a return of seven per cent upon the amount of such sums.* The State in such case is the agent of the customer, seizing the property of the company, and compelling it to render service at such price as the customer feels it to his interest to pay. It is inconceivable that any scheme could be more oppressive or unjust. This operation is highly Socialistic. It is an explicit expression of the Roosevelt order of Socialism, which absorbs to the State the property of the citizen while permitting the nominal operation of it to remain in his hands. The State, while not assuming active possession, at once enters into control of the property, and asserts over it the power of a proprietor, converting the owners into its

*In the Kansas City Southern case, the Supreme Court of the United States held that portions of a railroad, abandoned in process of grade revision work, cannot be regarded as a part of capital investment for rate making purposes, notwithstanding such had entailed cost upon the owners of the road.

agents, issuing to them orders moved by its will, and compelling obedience thereto by its armed or civil force. This exappropriation of public utilities by the State is distinctly recognized; the several commissions proceed definitely upon the lines that the owners of these industries have no longer any rights to their properties, where such rights come into conflict with their wills. "As Railroad Commissioner Eshleman truthfully says, investors in public utilities are absolutely at the mercy of the public which they serve."* The result of this incursion has been to "knock the bottom out of public utility securities." There has followed a general decline of market values of all such issues. One authority, whose statements find common acceptance and quotation among business men, asserts that since the Interstate Commerce Commission commenced its operations, the railroads of the country have lost three billions of dollars in market slough of their securities. Hundreds of thousands of people, who had invested their savings in these evidences of indebtedness, have watched the stockboard reports day by day and found their investments crumbling† until ultimately, in many cases, they were swept completely out of their hands by reorganizations of the corporations and "scalings down" of outstanding securities. The result has been a tremendous falling off in sales of these debentures. Public confidence in them has been, if not foregone, at least badly shaken. The public observes the spectacle of continuously rising operating expenses, through constantly increasing cost of materials and ever repeated demands for higher wages, made upon the several concerns by the unions *en masse*, to refuse which is to subject the properties and businesses to the destructive war of strikes; with the volume of traffic fluctuating between slight rises and severe declines, the recent movements being sharply downward; for the effect of the high prices which the unions create is, as I have explained in prior pamphlets, to narrow the zone of distribution from the point of production—with increases in business attended with decreased gross earnings; and the power of charging for their service taken wholly out of the companies' hands; the office of fixing rates being transferred to the several commissions, who refuse to permit raises in rates when the companies appeal therefor; but who treat themselves as standing between the railroad and the customer, in fact as representing the customer, intent on allowing the owners only sufficient of rates to continue them in business. Seeing this, the proposed purchaser regards the future of the utilities as doubtful, as tending to fall in value, and he withholds investment. The result is that the utility cannot get necessary moneys to move forward with needed constructions in the extension or increase of their systems in the rendition of further service; while such a thing as the advent of new capital into the field to put in a railroad or else here and there where opportunity offers, is

*San Francisco *Chronicle*, July 13, 1914.

†A client said to me recently: "Twelve years ago I invested a large fortune in stocks and bonds, all of public utilities, railroad and other. They were carefully selected, and all gilt edged. Today they represent a decline in value of from forty to sixty per cent of the market prices at which I purchased them."

practically out of the question. There ensues a static and deadening state of things, with cries going up in many quarters for the government to take over the railroads and operate them, a chorus increased in volume by the utilities themselves, and which, without any doubt, must ultimately be acceded to.

The effect of this process is the effect of all Socialistic operations; it is to destroy initiative. The life, the sap, is taken out of business, and there is left an inert, unprogressive, horizontalized mass, in which the active and pushing spirits are held down to the common level. Seven per cent, while it would satisfy bonds, will not sell stock; and bonds will not find purchasers unless stock be sold.* The man who buys stock buys with a risk. He pins his faith upon the character of the road, its territory and its management. He stands to take profits or suffer loss according to the mutations of the business fairly administered, and unhampered by the vitiating interference of the State. Where the State comes forward and deliberately operates to destroy his property, upon the hypothesis that a somewhat larger group of citizens, namely the customers, may be made to profit by such destruction, and when this to the general public mind seems a proper and reasonable exercise of the State's functions, we are indeed far along toward that goal to which the doctrines of Mr. Debs, Mr. Roosevelt and Prof. Seligman have been carrying us.

The pretext upon which the State assumes to interfere in rates of public utilities is that they are essentially monopolies, and the State has a right to protect the citizen against monopoly; further that they exist by right of public franchises, whose use carries with it the right of the State to interpose conditions under which they shall be exercised. But a railroad is no more the user of a franchise than is a store on the corner; for while the railroad may cross thoroughfares or run along a public street, the store conducts its business by admitting its customers from the front street and receiving and discharging its goods on the side street; and the circumstance that a public utility may compel one along its right of way to sell sufficient of his property, at the sum a jury may fix, to satisfy the uses of the road, is a flimsy basis for permitting that property owner and others of the public to seize the road and make it do his business at prices they are willing to pay.

Nor is the argument of monopoly any more satisfying than the above. It is not a fact that public utilities are in their nature monopolies; or if so they are such only to a slight degree, wholly unjustifying the practical confiscation of the properties which has supervened, even assuming that the fact that their being monopolies could justify such sequestration. It has been the experience of the nation in all its parts, that wherever business served by a monoepoletic public utility increased in size to sustain two concerns, another like utility would seek to come into the field, and arriving

*See "The Wage That Attracts Capital," article by Ray Morris, *Atlantic Monthly*, June, 1914, in which the author remarks: "The curious economic handicap which seeks to limit capital's maximum return to a low percentage, without any compensating guarantee of a minimum return."

there would compete with the established enterprise. This fact is notorious. It is manifest by the examination of any railroad map of the United States or of any State. It is true that the tendency of one utility in the field is to try to keep another out, or to absorb it after it has succeeded in getting in; and under conditions that have prevailed it is the proper function of the State, and the proper sphere of the commissions, to prevent the accomplishment of this sort of thing. One man has as much right to serve the public, through the medium of a public utility, as another; and if I seek to serve water to a city the existing concern has no right to go into the territory of my watersheds and buy strategic pieces of land for the purpose of preventing my accumulating and delivering water, or to go into the financial field and slander me to my bankers, or go along my proposed right of way and stir up trouble for me among the owners whose lands I must acquire, and so on. Here is where the heavy hand of the commission should properly come in. But it has no right to say, as it does say, that I must keep out of a given field in order that the concern already there might endure without competition, leaving it to the Board to determine the rates which competition would adjust could I get into the territory. Such an operation is to further the monopoly which the scheme of commissions is claimed to be created to prevent. We have lately had a singular illustration of this confusion of principles in the tearing apart by the Federal power of the Union and Southern Pacific Railroads on the ground that they are parallel lines, hence competing concerns. How the government can reconcile its position in interfering with the properties of the owners of these roads on the ground that they do not compete, while maintaining an establishment which fixes a schedule of rates under which they could not compete, I am unable to understand.

Nor can it be said that the fact that the railroads watered their stock, and issued bonds disproportionate to the amount invested in the properties, upon which they looked to pay dividends and interest out of rates, justifies in any way the State to come forward and seize the properties and direct their management. That such things were done is a matter solely between the stockholders, the bondholders and the boards of directors. That this field is a proper one in large concerns for exercise by the State in the interest of fairness between man and man, I have already observed, but in so far as the customer goes, the State has no business to regard either stock, bonds or investments. The question as to the customer is what is the service worth compared with other modes of transportation or travel; and it would be an extreme case indeed, in which any bill could be framed in a court of equity by a customer which would sustain him in refusing to pay a rate upon the ground that the corporation held the only channel of communication, and had cut him from its use by extortionate charges. Indeed there are at present competitive forces with railroads which of themselves tend strongly to regulate rates of the latter. The traction truck, the automobile, the electric railway have all made heavy inroads upon the

business of steam traffic, and would naturally force a line of healthy competition in rates by the latter in order that business should go forward. If the steam roads should go down in this conflict, it would mean that the public was being served by superior methods; if they did not, there would be a demonstration that through the free course of operation of the natural forces in business, traffic had been built up to support the maintenance of several modes of transportation.

The corollary of it all is that men in business should be left to conduct their business. They should be permitted, without interference by the State, to make all the money they fairly can. To concede that the State possesses a right to fix the prices of public utility service, is to allow that it has a similar right to fix the price of every service and of every commodity exchanged amongst the people. The line where the State and citizen meet becoming blurred, there is no guide; our drift moves toward Socialism. Indeed under such conditions the owners of the public utility themselves cry out for Socialism and beseech the State to take over the complete ownership and operation of their properties, and restore them whatever residue of their invested funds the State may be pleased to give them, permit them to take their money and go elsewhere. We have seen the instance of the State fixing the prices of wages in the minimum wage; fixing the price of service in deciding rates; it does not therefor surprise us to find able men advocating the State fixing the prices of products. No less personages than Attorney General Wickersham and Judge Gary, head of the Steel Corporation, proposed in 1911 that the government, "in order to control great aggregations of wealth, would find it to its advantage, and might find it absolutely necessary to exercise over industrial organizations the same power of regulation that it now exercises over interstate railroads." That "since Congress had provided means for preventing discrimination and unreasonableness in the prices charged for interstate transportation, it might establish a similar legislative rule with respect of prices which are the subject of interstate commerce." The fiction here brought forward to serve the idea of investing the State with grounds of interference with the rights of the citizen is "interstate commerce," the crossing by a product of the boundary line of a State. One is reminded of the moral to the old school reader story of the wolf and the lamb: "He who is determined to do a wrong action is seldom at loss for a pretext." We can readily see how quickly, with such a Federal law in existence, the States would adopt laws applying the principle to all commodities not of an interstate character. The trouble is that men, under the influence of Socialistic dogma, have lost their grasp upon the place where the right of the citizen ends, and the function of the State begins.

If these gentlemen will look to it they will find that the "great aggregations of wealth" which they assume it is for some reason desirable that the government should control, rest, in whatever pernicious aspect they may present to the public welfare, upon some type of monopoly, which if

removed, there would be found nothing objectionable in the further existence of such aggregations, even supposing they would thereafter continue to aggregate. They would find that what makes any of them menacing is the fact that they stand to the industry of which they are a part in some position superior to those who are trying to be their competitors. And that this is due to their having in their exclusive control some kind of special privilege resting in law; they own extensive areas of iron ore deposits, for instance, only the slightest fraction of which they use, or ever can use, the remaining they merely own to keep out of use, thereby preventing any other steel maker from taking hold of and turning steel on the market in competition with them; the system which permits one man to seize upon such area of the solid planet as he cannot use, and stand others off from its use, is called land monopoly, and is tolerated by those legislatures who are adopting the divers Socialistic expedients to correct a condition which they are thereby making worse. These gentlemen may also find that much of this special privilege rested upon patents—exclusive rights to the use of inventions, sanctioned by the government, and which may have the quality of converging entire industries into given hands. It was the wish of our fathers of the Constitution, in order to encourage invention, to reward inventors with monopolies of their inventions for limited periods. But the desire was to recompense the inventor for an invention, not to pass over into his hands an industry, as sometimes occurs where there is improved a machine or process in production, the result of which is to make obsolete former means, and transfer the industry to the concern of the inventor. While this sort of thing may last but during the life of the patent, yet it presents a severe aggravation to the disturbed conditions growing out of the existence of monopolies, and it is by no means necessary to encourage and promote invention. The patent laws should be changed to afford the inventor a royalty upon his machines, with differentials perhaps to those who first adopt it, in order to draw customers, but having done this the government should become his agent. Anyone who wishes to use an invention should have the privilege of doing so to whatever extent he desires, by purchasing from the patent office, acting on behalf of the inventor, the privilege of so doing. Here in a sweep we would have the inventor rewarded, invention encouraged, the element of monopoly removed, and the public would receive the benefit of the invention on terms of fair competition.

With these and like special privileges removed, also rate discrimination or rebates from common carriers, which the Interstate Commerce Commission have properly extinguished as inequitable, there would disappear all those elements that give one concern in industry an unequal advantage over another, such advantage resting in some feature or incident of law. Outside of law, such advantages as a producer may acquire from superior methods, management, lawful combinations, or any other such means, he is entitled to. It is proper and healthy that one man in business

should try to advantage himself against another where the processes of such advantage rest in his efforts along lawful lines. Rivalry is necessary if progress is to be made, and if there be those in the industry who succumb to rivalry they should be permitted to pass out, and with no regrets. But rivalry should be based upon equal law, and upon equal opportunities to the resources of nature, which are the common property of mankind, for without these there can be no fairness, and we shall have overgrown and menacing industries in one direction and stifled, struggling and underfed attempts at industry in another, with the world between howling like mad over the stress and strains of getting a living.

From the foregoing it is manifest that only in those cases where the rights of one conflict with the rights of another is it proper that the State should interfere, and then it should interpose to the holding of an equal hand. The railroads owe the public nothing but service, and they should be left to charge for it what they will, the rates determined by competition which would inevitably attend conditions where competition was justified, and where it was not, the ordinary business sense of increasing and building up business would cause, and has generally caused, the utilities to hold their rates at figures reasonable and just. The instances in which neither the existence of competition nor business sense has relieved from a purblind policy of extortionate rates are rare; and such methods do not in practice long endure. These exceptional cases are no excuse for this wholesale onslaught by Congress and the States upon the properties of the citizen, the enormous losses to the investing and to the saving public, the disorganization of business, the destruction on a tremendous scale of the quality of initiative and the driving of the nation headlong, through absorption of the chiefest property we have, into the maelstrom of Socialism.

When we consider the arguments now being used in California by those who oppose the eight-hour initiatives, we find certain of them no less remarkable than the proposals themselves. Reprehensible as the business may be, there are always those who will seek to deflect from themselves an inconvenience or an injury by injuring others. We are told, for instance, by the *San Francisco Chronicle*, voicing numerous speeches and pamphlets which have been moved upon the matter, that:

“The opinion is freely expressed that the enactment of the proposed eight-hour law would transfer our fruit industries to Orientals. It probably would to the extent that Orientals are available. The simplest way to evade the provisions of the proposed act would be to sell or lease the orchards and vineyards to co-operative companies, in which each partner, being an owner, could work as many hours as he pleased. The Orientals are accustomed to co-operation of that kind and readily fall into it. White men might gradually grow into it, but we have not the genius for co-operation that Orientals possess, and nothing is more certain than that farmers who should find themselves thus driven from their occupation would make leases to Orientals as rapidly as possible,”* etcetera, etcetera, etcetera,

**Chronicle*, July 13th, 1914.

all of which is most insufferable twaddle, and of the usual and characteristic kind that is ladled out to the citizens of San Francisco whenever any question affecting the welfare of the people arises. In a quarter of a century of residence on this Coast, I have never known a public question to arise in which the old Oriental bugaboo was not brought out of the garret, the muslin and bladders of which it is composed touched up with red paint, the thing stuffed with straw, and paraded up and down the open thoroughfare for people to get frightened at. It was just one of these exhibitions injected into a contest between two groups of capitalists over the field of a public utility in San Francisco that produced the exclusion laws of Congress against the Japanese, an incident which I have not space to enter upon in this pamphlet. It is manifest from a reading of the *Chronicle* editorial that the writer of it is not sincere. He does not believe what he writes. Nor does anyone else of ordinary understanding believe it. It was, indeed, not written to be believed; but was written to fan and keep alive the race hatred of which the *Chronicle* is chiefly the author, against the Oriental people on this Coast. Whenever an occasion arises that the Oriental can be struck at from behind any barn door of public question, the snickersnee is drawn from its sheath, and a scrawny editorial arm reaches forth for a vicious swat. In this way the Oriental is kept dancing to stinging blows, and the public stand around and look on. The adoption of the eight-hour bills would cause inconvenience, annoyance and expense to the farmers, and would have a tendency to discourage others from entering the business of conducting farms and the several occupations in which common labor is largely employed, with a tendency to narrow production; but it would not drive anyone out of business.* It would be found in practice that men would be employed and paid largely by the hour, and work would go on just the same as theretofore; a greater number of men would have to be held on the ranch or at the lumber yards to do the work than is now the case, but work would begin and quit at the same hours then as now, and other than depriving the laborers severally from earning as much as they do at present, or increasing the price of products to the consumer, and possibly of both, the eight-hour laws would have no effect. Legislation may hamper industry, but it cannot stop it. Where the statutes are unreasonable and preventive of industrial operations if fully

*We own a small ranch in a neighborhood of small ranches. We formerly kept one hired man for choring and keeping up the place, taking care of poultry, etc., throughout the year. In the haying season, of course, we hired about five extra men. Now, with the employers' liability law we are afraid to keep hired help, for should some accident befall the men, for which we were absolutely not responsible, we would be held liable. Consequently, one laborer has lost a good steady job and good home, and if the proposed eight-hour law goes through instead of hiring the extra men for haying, we shall exchange work with our neighbors who formerly hired help and thus among five or six farmers do all our own work as best we can, and what we can't do we shall leave undone, which will mean the loss of a few jobs to the laborer. If the co-operative plan is not practical, instead of hay, grain, and fruit we will raise hogs or stock that requires little help to manage. Such a measure would be absolutely ruinous to the orchardist or vineyardist who is dependent on help. Formerly when we kept a steady man, we kept the lawn cut and orchard plowed and ditches cleaned and many things my husband has to neglect now, but we feel we must do the best we can and take no chance of some employee getting injured and paying him damages which we are not able to afford. Neither can we afford to carry extra insurance for some other man. My husband carries several thousand to protect his own family, but why should a small land owner who has accumulated a little

enforced, they will not be enforced. Justices, judges and juries will refuse to find facts in any case to constitute a violation of the law.

The Socialist program is replete with the idea of "the people rule." We have as a part of their scheme of things the initiative, referendum and recall, a referendum to repeal national laws; the latter to be amended by "a majority of voters in a majority of States," etc. The nature of these proposals, the first group of which are now a part of the law of California as of many other States, is to change the government from a representative organization, which is the character of the Commonwealth, to a democracy into which we have, as I remarked, largely by reason of these provisions, been degraded.

We have seen that by the Socialist's plan "the people," by "direct action," are made the real determinators of the legislation that exists or which may be brought into existence. This is through the initiative and referendum. Another order of plebiscite is upon all officials. While elected for definite terms, they are subject at any time to a new elective contest before the voters to determine whether or not they shall remain in office, not until the completion of their respective terms, but until some enemy circulates another petition amongst his partisans and procures the necessary signatures to subject him to a further contest upon the same question. These provisions have been adopted in many States, among which is California, and we have a specimen instance of the operation of the initiative in the proposed eight-hour measures which we are here discussing. Had the initiative not existed in this State, these proposals would not have been before us. They never would have been presented to us in their character of bills. Some Socialist legislature might have enacted them into law, but Socialism has not yet developed, even in this State with its Progressive administration, to the length of legislative adoption of such offerings as these, and before that day should have arrived it might be hoped that the avenues of discussion of the properness of such policy would be wider open on the side of the individualists than they are today. All of these devices are predicated upon the hypothesis of mistrust by the people of the persons whom they elect to office. It is assumed that legislaturemen and Judges and others may be tied to monetary interests in conflict with the welfare of the commonality; and these provisions are not only to place in the latter's hands a power to summarily eject them from office, but also to efface their

home by working long hours and saving his money be obliged to carry insurance to protect some man who has had the same chance in life but has spent his money—perhaps for whiskey. If the laborer wants insurance protection let him take out his own insurance and pay for it like a decent member of society and not like a public charge. There has been enough imposition in past legislation on the decent citizen who has tried to accumulate without enacting this ruinous eight-hour law. They can argue all they want to that we should hire more men for the same work. We cannot afford to do it and we will not do it. I am speaking from personal knowledge. Since the liability law passed, among our own acquaintances, I know eight farmers who formerly kept a steady man who do not keep one at all now. If a canvass were taken of the whole State, I think you would find thousands who have managed to get along without help rather than take the extra risk. With an eight-hour law there will be tens of thousands. Why should a woman have to cook for three or four men instead of two to do work that two men ought to do? The farmer's wife will have to work harder than any of the hired help. If the farm laborer thinks he is being benefited by such legislation he should wake up.—*A Woman Reader* in *Pacific Rural Press*, Aug. 3, 1914.

official acts and to effect, by a different means from any action of theirs, achievements which they might not be willing to perform. The theory assumes supreme wisdom on part of "the people," at least to the extent of what is, and what is not, for their own benefit. It is the experience of ages, however, that no assumption is more erroneous than this. It has been tried again and again in the history of government, has always produced its disappointments and its tyrannies, and has come down to us in this period bearing the stamp of its true character, *demagoguery*. Mr. A. F. Morrison, of the San Francisco bar, in an interesting brochure* issued by him a year ago, quite the same as I am putting out these pamphlets, refers us to Aristotle's work on *Politics*, in which this greatest of the Grecian thinkers comments upon these references of government to the multitude, and shows their working out, just as we are experiencing them wherever in the United States they exist. Aristotle says:

"Another kind of democracy is where, other things being the same, the multitude, and not the law, bears away. This comes to pass when, instead of the law, the mere resolves of the popular assembly are sovereign; and this is the work of the demagogues; for popular governments, in which the constitution and laws are supreme, afford no place for demagogues, but the best citizens are there in authority. Where, however, the laws are not sovereign, demagogues spring up. In such a government the people are a sort of many-headed monarch; for the many rule not as each, but as all. Whether Homer had in mind this kind of government, when he censures a plurality of rulers, or whether he meant that in which many individuals bear sway, is not clear. Now, such a people being in truth a monarch, will, of course, play the kind; and inasmuch as it is controlled by no law readily becomes despotic. A democracy of this description bears the same analogy to a popular government, based upon the supremacy of law, that a tyranny bears to the legitimate forms of monarchy. In both the animus, or moral character, is the same; both exercise despotism over the better class of citizens; and the resolves of mass meetings are, in the one, what edicts and decrees are in the other. The demagogue too, and the flatterer of the tyrant, bear the closest analogy; they are, indeed, at heart, the same; and these have the principal power; each in their respective forms of government, court favorites with the absolute monarch and demagogues with a people such as I have described. The demagogues are, in fact, the guilty authors of this degeneracy of popular government, by referring everything to the mere pleasure of the people, without respect to law or right. Thus they aggrandize themselves, and become mighty; by ruling the popular opinion, they rule the State; for the multitude obeys them! If they wish to overthrow an upright magistrate, they accuse him not before the law, but before the people, which, they say, ought to be his judge; the people, well pleased, entertain the wrongful proposal, and thus all just authority is dissolved! He who should blame us for calling such a democracy a State, would, certainly, not censure without good reason; for where laws do not govern there is no state."

It is through the instrumentality of these speciosities, that the government of the country has largely passed from the character of the Commonwealth into the region of the democracy, and is now on the high road to

*"The Recall of Judges."

that absolutism which demagoguery always evolves. By the processes which these injections of the mass into the affairs of the State, other than by the selection of representatives, always induce, we find here in California that government has already gotten beyond the grasp of the proletariat who is assumed to control it. We have the spectacle of "direct action" in primary elections converting multitudes of people into politicians, besieging citizens for signatures to petitions to get upon the official tickets, these tickets sometimes so vast that they comprise scores of names, this machinery planned upon the principle that the group of public offices comprise a sort of a pap barrel, into which every hungry *scrofa* might struggle to get his snout. This order of politics may seem to us a mere scramble for offices; but to the student of the rise and fall of nations in the world's history it is a well recognized and significant phenomenon; it is a symptom of political disorganization and national decline, and was presented at the close of the Roman Republic, when, as Mommsen says, demagoguery so flourished that "it became quite a trade." "The Roman commonwealth," he says, "exhibited political disorganization, with an unenviable clearness."

Another phase of direct action is that in which the voter is told that it has become his duty to the State to read, meditate and decide upon the advisability of adopting a considerable tome of legislative proposals which the elected statesmen, erstwhile charged with the duty of determining the wisdom of such measures, have passed on to him for his selection. Obviously the citizen is not qualified to do this work. The few who have the learning to pass upon the desirability of the several bills as laws, rarely have the time to devote to the work, and the most scrutinizing refrain from passing judgment on measures upon which they have heard no adequate debate. The vast multitude do not read the provisions. They vote yes or no according to the confidence they hold in the ruling power, the head of the administration of the State. That which he programs and advises will be carried into effect; presently their votes will not be necessary save in the most nominal way, wholly ineffective to stay any cause against the ruler's will. Such transpires by what may seem to be perfectly natural processes.* We see it now working in the Socialist calls for the "short ballot." This is not other than the vesting in the hands of the head of the State the power of appointment of officials who under the representative system were elective, were chosen by the people. The demand grows out of the multitudinous mass of names which go upon the official tickets under a system presumed to be based upon equality of opportunity and letting the people, as distinguished from a nominating convention under the Commonwealth, choose the candidates for office. The plan is to curtail the elective offices on whose candidates the people must pass, thereby shorten the ballot; the

*"Caesar's acts were unconstitutional! Yes; but Constitutions were made for men, not men for Constitutions, and Cicero had long seen that the Constitution was at an end." Froude's *Caesar*, p. 376. This is precisely the talk we now hear going on all over the United States concerning the American Constitution.

result, the head of the government acquires a new power to fill the offices with his partisans and place the groundwork for a new political aristocracy.

Indeed one could not conceive of a more effectively arranged scheme for installing a national absolutism than that devised by the Socialist platform. About everybody working for the government in a salaried job, the government centered in a single chamber which holds all powers, these exercised by a ruling faction, topped by the presiding officer of this assembly, the only check on the operations of this monarch being "the people" whom he employs! Let any subject under such a regime dare vote against his proposals, and very short shrift would be made of him when the government detectives should have spied him out.

We may observe how these influences are working out in the direction in which they have thus far found practical expression, namely the Progressive party. This movement has been taken from the Socialists, and in certain States, California among them, has installed the initiative, referendum and recall, which is an overcoming of the system of representative government. What has been the results of this innovation? It manifests itself as a strong centralizing movement, converging the power of the State into single hands, as note its effects in Oregon, where it has made a State boss of Mr. W. S. U'Ren, in California's experiences with Governor Johnson, and Wisconsin's with Governor La Follette. Charles M. Hollingsworth, after a careful tracing and analysis of this movement, correctly concludes as follows:

"What the 'progressive' reform movement really does is to provide ways and means by which a majority of the electorate may commission one man, who promises them betterment of their condition, with plenary, unrestricted powers to undertake to carry out the promise, generally by voting him into a leading executive position; and this with the implied understanding that he is personally to direct and control the legislative, and at need the judicial functions, as well as exercise the executive functions of government in achieving the desired end. The movement is a first step towards personal absolutism. It is to be considered as a first step only because the commission given the individual is only for a limited period of time. The second and fully-consummating step will be taken when the commission is made perpetual."*

It may be safely predicted that the Progressive party will not overcome the Socialist party nor stop its growth. If either of the two is to pass away the disappearing one will be the Progressive and not the Socialist party. The real quality and character of the Progressive party, and for which it stands, is the absorption by the State of the values and heart of business, while permitting the shell to remain in the hands of its owners. In other words to "govern," "regulate" and control it through commissions, while its operation is proceeded with by its proprietors, who are permitted to earn through such operations just sufficient, in salaries and interest on invested capital, with profits carefully eliminated, to hold them

**The So-called Progressive Movement*; Annals of the American Academy of Political and Social Science, September, 1912.

to the work they are performing. As between this method and that of the Socialists who take outright the business from its owners, paying them for that which the State condemns, the latter is by far the more honest and commendable, and it is that condition into which the other will inevitably tend; for neither the public nor the businesses will be satisfied with matters being run on the Progressive lines. At that time, if not before, the Socialists and Progressives will get together, and this union will be as the junction of Wellington and Blucher in the Waterloo of the Constitution.

But after we have said all this against the Socialists and their movement, does it not remain a fact that the laboring people do not participate to the extent that it is fair and just that they should in the comforts and benefits which civilization has brought forth? Is it not true that the few acquire wealth, while many are denied necessities? And is there not some arrangement possible under civilization whereby men who wish employment can always get it, and at wages which would maintain them and their families upon a plane in which they could partake in a moderate degree of these benefits? I reply, assuredly there is, and of one fact we may be certain, that is: there is need in the community for the services of every human being that exists, and of all appliances, attributes and potentialities which he can now bring, or ever bring, to bear in his task of serving his fellow. The wants of man are never gratified and can never be gratified. Appease them today, tomorrow imagination has already created new fields of fantasy and need. And all men wish after some fashion or order of taste or adaptability, to serve their fellows. What then is this clog interposed between men who want service and those who wish to serve, that impairs and in large measure prevents this mutual rendition? Into this we shall in some degree inquire. For the present let me remark that it must not be taken that all this great labor movement, with its many proposals for changes in laws and systems, with a large number of those changes already having been effected—that this is altogether unworthy and harmful, and the entire should be denounced. It was but natural that with the rise of the light of civilization over the world, the great mass of the laboring people should be awakened also, and should reach out their hands in the direction of that light and try to partake of it; and that they would proceed to the getting of it in what seemed to them the most direct and immediate way they could reach it. The cry which has gone up from them is a wail of complaint, of protest; a struggle to move forward; a lifting up of their wounds and oppressions and showing them to the world, and bringing forward their massed power to halt the world to notice them. They have, indeed, achieved great results. Industry is now run under conditions more sanitary, more free from discomfort and injury than heretofore; factory conditions are described in many quarters as “ideal”; we hear employers saying that their employees “must be treated like men,” and there is a more scrupulous regard for justice existing now than in the

past between those who in the law are known as masters, and those who are known as servants.

But upon the whole the labor movement has been economically wrong, and it can never attain to its real benefit by pursuing the lines upon which it has been and is now proceeding. A few members comprising the heart of the labor unions, who by reason of the power of the unions receive high, even exorbitant wages, feel that they benefit by the condition, but in truth they do not; while a vast aggregate suffers through intermittent work, or no work at all, and the constricting processes proceeding in industry ever tend to lessen the number of the employed and to increase the million of the unemployed.

And the reason is that labor, in trying to work its way out of its difficulties, has been going in the wrong direction, albeit that direction has seemed to be the one promising the most immediate returns. Economics, indeed, possess that peculiarity. As in the realm of ethics, its true effects are not the immediate ones. It shall seem to prosper me if I take for my use my neighbor's coin; but in truth I have not helped myself, though with it I have bought, and have eaten, the good things I desired; for I have deprived him of his ability to accept and pay for my services which he needs; and I have filled him with hatred towards me, which makes it impossible that he shall be of further assistance to me. So in this field of labor we see that higher than economic wages drive up the price of the commodity which the laborer must buy with his wages, and which commodity he receives, therefore, comprises his real wages. Economic wages may be defined as that share of the product which goes to the labor put upon it. It is the "forty per cent of the catch" in the halibut fisheries of which we have spoken. The price of the product, hence the nominal share of the laborer, is determined by competition in the commodity market, which prevents an excess of profits, as I explained in my Japan pamphlet. The laborer can, as I have said, never get more than the share of labor, and this will be paid him freely, provided the door of opportunity to labor be kept open. And singularly enough, in this incident, the laborer himself has been one of the strongest influences in closing this door, his act being, of course, of the purblind order.

The "door of opportunity" comprises several components. I have noted them all in my Japan pamphlet, to which the reader is referred. It consists first of initiative, second of immigration, and third of land. Initiative or incentive may be said to be that quality in the human which moves him to progress; which stirs him to new enterprise; which prompts him to take industrial risks; to venture forth. It is a psychological quality and may be readily discouraged and suppressed by restrictive laws and conditions that limit opportunity. It is a fact that the whole course of the Socialist labor movement has been antagonistic to initiative. It has been directed to taking profit out of industry, reducing returns at that end of

enterprise which works with capital to mere interest upon investment and wages for personal services. Accumulated capital has been further assailed by various forms of taxes; by death dues, and super income taxes which have no other justification for existing than to punish men for accumulating wealth. Profit is the fund which is the basis of initiative. Essentially it is a fund which may be lost or won in business. An enterprise may have no profits, not even salary for those who initiate it, and often capital itself is lost. Profits in one business, therefore, become capital in another; and where the State operates to repress profits it wars on business, and destroys incentive. Men should be left to make all the profit in business that they can; it is the lure that spurs them on to higher and better endeavors. It is assumed that when a man is a millionaire he has taken a million away from some number of people, and that it is withdrawn in some fashion from the common stock of the country; that people are injured by his having it. This is not a fact, for, as I pointed out in my "National Tendency" pamphlet, all the millionaire can get out of his possessions is what he and his family eat, wear and use; and these uses are susceptible of only a very limited application of wealth. The volume of his fortune is in industry, operating under directive control, and creating in thousands of channels opportunity to labor. This quality of initiative, by removing the spur of profit, of individual accumulation, Socialism would practically extinguish within the nation, and thereupon would be delivered a fatal blow to civilization, for it is upon incentive that civilization is built. Socialists answer this criticism of their program by asserting that there is nothing in Socialism incompatible with the offering of any special reward for special social service. We need go no further. The incentive which moves a nation cannot be built upon government offering rewards. Incentive must abound on every hand; men must be free to create opportunities out of the very atmosphere of conditions. The fullest liberty, the most complete individualism, is necessary for its healthy existence. Aside from this statement we are told that the incentives remaining under Socialism will be "joy of work;" "satisfaction of having won where others failed;" "the instinct and passion for creation, discovery and self expression;" "symbols of honor;" and notes that "our great manufacturing plants have their own departments of inventors," as though inventive genius were a matter of clerk hire. The reply to all of this is that invention is not the only field of initiative; initiative must abound, and must have all the prizes that freedom may give to bring it forward in its full force and effect.

It is to the interest of labor further to keep open the door of immigration of all laboring peoples, a matter which I have also discussed in my "Japan" pamphlet, and which I have repeatedly emphasized with reference to our intercourse on this Coast with the peoples of the Orient. The foreign laborer by joining in industry creates products which call for other labor and thus provides and promotes opportunity. The laborers

can do nothing more harmful to their own interests than by pursuing their policy of opposing immigration upon the theory that a laborer coming into the country takes the job away from a workman here. He does nothing of the kind. The immigrant furnishes jobs, which but for his labor would not exist. He raises wages and does not lower them; he does not derogate or repress the native laborer, but he drives him to a higher status and makes life easier and more abundant to him.

The third feature is land; and this is a matter of extreme importance. Where, indeed, the Socialist demands present any aspect of a real wrong as their basis, it is our duty to recognize it and show it forth. We cannot overcome Socialism by ignoring or defending the errors in our polity and systems which have brought it about; and none can deny that in our field of production and distribution, hence in our civilization, there is "something wrong" which has given Socialism and labor unionism a real status as a criticism. We have noted that the Socialist platform calls for "collective ownership of land where practicable, where impracticable the appropriation and collection of all rentals held for speculation and exploitation." This proposal is impracticable and unjust, though perhaps just as reasonable as many of the others which the Socialist designs. There is no question that the existing land system is one of the large reasons for the untoward industrial conditions which prevail today, in that the owner of land at present absorbs a value for which he gives no service, which is deposited upon the land by society, and which is appropriated from labor. Let me illustrate: The Colorado River runs through a vast tract of desert and unoccupied land. It is a muddy reddish stream, carrying at all seasons large quantities of water, winding its way through low banks and an open country of gently sloping plains. The only vegetation this land will grow is the cacti, a few weeds of the gummy and sticky sort, here and there a spear of some tough grass, and sage brush. It may be said to be a raw product of nature, a bare area of the surface of the planet, fitting complement to the arid sky which bends above it. When I rode over those mesas twenty years ago I was told that this land could be bought for five dollars per acre, but that anyone who would pay five dollars for it would, in the common estimate of the country, be "a fool," for it would graze neither cattle nor sheep. A few years later some genius came along and conceived the idea that if he should go up stream, put a pipe in the river, crook the end of the pipe and lift it over the top of the bank on to the mesa, carry the free end down along the plain for a mile or two until the latter became lower than the end in the river, water could be made to flow and it would keep on flowing through the pipe; in other words, he constructed a siphon; and the application of this contrivance put the lands of the desert under irrigation. It was found that when the lands were vitalized by the waters they would yield prodigious crops, and as soon as this was discovered, people to cultivate the land began to pour into the country.

Much of the land was owned in Yuma and Needles, and the proprietors who possessed these acreages suddenly found themselves possessed of large wealth, for the lands had risen in value from \$5 per acre to \$75 per acre, to \$100 and even \$150 per acre; and a client who called upon me recently stated that there was no more opportunity in that country, that the land owners down there were charging \$30 per acre per year rent, besides cost of water, to grow cotton upon the land, and people were now moving out.

Here then there was accreted upon the land a large value the income of which the land owner was collecting. The amount he was receiving was not set by himself, it grew upon competition of the laborers applying to him for access to the land. The more they would yield the higher he would raise the price, the condition being not unlike that of the bid and ask on the stock exchange. Occasional sales or rentals would occur, but for the most part the land owner could not be satisfied and the land in wide areas was held idle. The bidders would give to him as much of the product of the land or its value as would allow them to retain from it a living and a little more; and where land was sold outright this yield was in some rough way capitalized as the price per acre. The status of this owner in the business is an interesting inquiry. He did not make the land nor did he succeed to the right of any maker. He did not make the water; it was flowing idly along its bed to the Gulf of California. He did not even own the pipe, conceive the idea of its utility, or dig any of the ditches that carried the waters over the lands. What did he do? He held a paper under the authority of the State, that said he had a right to forbid the use of this space of the earth by labor; this gave him the right to admit labor to it upon his terms, and he took the most that the applicant could be moved to give. Obviously here is a factor who is out of place. All men have an equal and natural right to the use of the earth. Such is one of those inherent and inalienable rights which the Constitution asserts. He can never barter it away. When he entered the world he acquired a right to live; no one could rightfully kill him. His living imported the free use of three things, viz.: the use of sufficient of the air to breathe; no man has a right to bottle up his atmosphere and sell it to him at so much per cubic foot for breathing purposes. He had a right to sufficient of sunshine to afford him light and warmth; none has a right to surround him with effects which shut him from the sun, and sell him sunlight by the kilowatt hour. He had a right to sufficient of the earth from which to draw his sustenance, and no one has a right to deny him the use of ample of this element from which to sustain his life, or to interpose between the man and the soil and say he shall exist upon it only by sufferance and the payment of a charge. These elements are fundamental to his very existence and to ignore either of them is to strike at the very root of his liberties. A society which does not regard them will as a consequence display multifarious phenomena of social disturbance.

The fund which the land lord receives is the fund which is apportioned to land, and which the laborer upon the land is willing to pay; otherwise the latter would not occupy the land, but would leave it. The net injury to the occupant in the operation is that after having paid up to the limit to the land owner, a much higher rent than he should rightfully pay, the tax collector heaves in sight and collects from him for support of the State, levying his charges upon the products of his labor. And the fund so withdrawn is no trifling matter, it is a large, a vast amount. Consider the enormous sums which are yearly paid the State upon improvements, personal property, licenses, income tax, tariff and internal revenue, taxes upon estates of decedents, taxes upon immigrants, every vestige of which, save where they bear upon the value of land, are erroneous, unjustifiable, in the teeth of the principles of the Constitution, and should be swept away. Aside from the oppression of a double taxation, the excess of which must be added to the cost of the product, hence increases its price, the laborer—for every man who works with his hands or with his mind is a laborer—is injured by the holding by the land owner of land out of use, whereby labor fails of employment, initiative is impaired, and production is held down; while as I remark, rent is driven up greatly higher than it should be, an excess which really does the land owner no good, for if this condition were cured he would get less rent, but with the money he received he could buy vastly more than at present, for prices then would be low instead of high, as is the case under the existing system. A system, therefore, which places in the hands of one man a sword wherewith to drive back labor from vacant areas of the common earth, is not such as can find any support under a rational interpretation of the Constitution of the United States. It is true that under the Constitution the assertion of this right has been neglected; it was not indeed recognized in this age until it was pointed out by Henry George and is not commonly conceded now; but we have seen the vast and rapid progress Socialism has made, the menacing proportions it presents at the present day, and we realize that its excuse for being is that men are denied livings and that in justice they should have a larger scope of opportunity than they now possess, and here we find ensconced at the roots of monopoly the land owner possessed of a power given him by the law, to keep men off of the natural earth, and to prevent the great basic storehouse of nature from receiving the embrace of labor in the bringing forth of wealth for the service of man. Very clearly the value which accreted to those Colorado lands belonged to the people who created it. It did not belong to the man in Yuma. Land value is essentially a social creation. It cannot arise nor exist except through society. It belongs absolutely to the State and, from the standpoint of ownership, the Socialists are completely right when they demand that the State shall take every vestige of it, a demand, however, that is impossible of being effective. There are in fact two forms of value; social value and individualistic value. Social value is land value, while

individualistic value is all other values that exist. As between these two the social is immensely greater than all other values. Take San Francisco for instance. The assessed value of land in the city and county of San Francisco is \$304,579,974. That of improvements, \$165,394,837. Personal property, \$71,816,672. Improvements and personal property together, \$237,211,509; and these values may be taken as an index of such values throughout the country, and relatively so in other countries. In Vancouver, for instance, land value (real estate) is \$150,456,660. Improvements are \$76,199,743. Much of that which is assessed as personal property is not value at all, but tokens, mere representatives of value existing elsewhere, as stocks, bonds, bills, notes, solvent credits, non-metallic money, etc. Value abides only in *things*, not in evidences of things, or in promises, beliefs, hopes and aspirations; and land values are things, intangible though they be, and the buildings upon them and their contents or those objects which are otherwise upon, or that which is within the land, is and are all things. The trouble with our economic scholasticists which causes them to embrace Socialism, is that they do not give thought to this enormous fund of land value, to analyze it, to consider its existence and to regard its relation to government and to the economic life of society. Painfully enough, this school has been generally antagonistic to considering it at all, have denied that it should be utilized by society, that society has any right to its possession, or that if treated as a social fund, and labor and its effects were thereby relieved from taxation, the change would make any particular difference. Nevertheless land value is the natural fund provided by the operations of God for the support of society in its public aspects; and like all of God's gifts to man it is abundant, it is bounteous. It rises in extent just as civilization rises, just as the public social necessities of man through the presence of civilization increase and multiply. Today it is with us, in a rough way, about \$1000 per head of population; one hundred years ago, it was far less than this; a century hence it may be \$2000 per head of population. The site of San Francisco today has a value of \$304,579,974—and this is its *taxable* value, the true or selling value is far greater than this, perhaps half again as great. But let us stampede the inhabitants of San Francisco like a lot of wild horses and they gallop off, or we flush them as a flock of birds and they fly away, and all the buildings and else, by some magic of *apports* dissolve into fluidic atoms and go with them; and in their place we bring in 400,000 naked and savage Hottentots with their huts on poles, thatched with grass or turf. Can you tell me what the value of the site of San Francisco would be with such a population? For what hat full of beads, package of tobacco, or two-bit Waterbury alarm clock with its buzzing bell, could we then buy the site of the Crocker National Bank! Very obviously whatever value the land of San Francisco would then have would not be due to the population upon it, but to the presence of the civilization of today upon adjacent areas, and to the prospects of routing the Hottentots, and restoring the land to the people who had left it.

The perfecting of an arrangement whereby these values upon the lands of the Colorado could go to the occupants of the lands, that is, to the State as their agent, at the same time the unused lands be kept open for settlement at their original values, is a mere scheme of taxation into which I will not go in this paper; suffice it to say that had such a method been in vogue on the banks of the river, people would not have ceased moving into the country until every acre of the land was occupied; there would have been no one coming out and proceeding elsewhere because "there is no opportunity in that country any more, rents have gone up too high."* This system running through the entire industrial world, being everywhere and at all times present, comprising one class who are levying an impost upon industry up to the full limit it will bear, and rendering no service for that which they receive, this accounts for much of the distortion which we find in the industrial realm and in society generally today. I shall not go into it further here, for it is fully discussed in the writings of Mr. George and extensively comprised in the propaganda of the Single Taxers.

*The author would like it understood that he is not a single taxer. If there be any group in the field of economic or administrative thought by which he would designate his factional adherence, it would be that of the defenders of the Constitution; wherefore he would call himself a *Constitutionalist*. And in so saying he does not wish to in any wise disparage the magnificent work which has been and is being done by the single taxers, nor to forego in any degree his profound admiration for the character and teachings of Henry George. But the single tax doctrine, while in the main correct, embodies certain principles with which the author must remain ever at variance. Primarily, I am opposed to the doctrine of the State absorbing the entire of economic rent, upon the theory that this rent belongs to society which has created it, and not to the land owner who is receiving it. The State is entitled to draw from society as taxes only that sum necessary for its economical administration. While it is proper that this should be drawn wholly and solely from the rent of land, yet the quantity which the State should take should be limited by its needs, and not by the quantity that exists in the hands of the land owner. As relief of all other forms of property from taxation would stimulate the growth of the latter, thereby greatly increase land value, and correspondingly increase economic rent, the fact is that taxation concentrated upon rent would shortly not be felt by those who pay it; and this principle, so much dreaded by many city lot owners, would be, and is being found, in operation, not to permanently decrease their incomes. A government which would take the entire of economic rent would be wasteful and tyrannous, the only avenue through which such probably could be spent being in these ruthless extravagances which characterize modern war and its preparations. Otherwise than this, every expenditure made by government effective for human good would reflect increase upon the rental value of land, and so provide a larger fund of economic rent. The land owner, however, whom the drawing of the support of government from economic rent *would* harm, is the speculative proprietor of vacant or under-used areas. This operator, while not losing such of his estate, would be obliged to sell or lease to users at such prices as he could get, upon pain of relinquishing altogether his properties to the government, and this not because taxation would take all the rental value of the land, but it would take more than he could afford to pay and hold the land idle. This is considered by many highly confiscatory, and very awful, but I have never been able to see, from his status in society, how he is entitled to any special sympathy. He is that man who occupies a wrong social position, and who is permitted to occupy such only so long as the wrong is unrecognized; when society perceives where the error lies, it is its right and its duty to correct that error, and if there are those who immediately lose by the change, they have the recompense that thereafter they can live in a state of society thus far ordered on right lines. To "compensate" him, would be to take from those whose position has been right and give it to those whose position has been wrong, a thing that is unheard of in administrative changes and reforms. He should be glad to escape with what he has wrongfully taken, and not find himself called upon to restore to society any portion of such fund.

To other phases of the single taxers' program, viz., the ownership and operation by municipalities and other governments of public utilities, I am wholly antagonistic. The business of government is to govern, not to go into industrial pursuits to the shutting away from thence of its people. All such projects are highly Socialistic and harmful, notwithstanding they may seem momentarily to advantage the public. Nor am I in accord with the single taxers linking up with the Socialists and labor unionists, assisting them in their strikes against "capital," and forming escorts for Mother Jones and other et ceteras, as was done recently in New York. The Single Tax of today is upon a different plane from what it was when Henry George died, if its sympathies are now active in this direction. The Single Taxer is not a communist, he is an individualist, and, properly, a *Constitutionalist*; since the doctrine that society should be supported from that fund which only society creates and can create, and that which a man acquires by earning or by gift is absolutely his, and should be inviolably his—this doctrine is in the highest sense a doctrine of the Constitution, and there is no question that the trend of the intelligent thought of the country is to so recognize it.

That the course in which the laborers have been and are proceeding is effective of no results of real benefit to themselves or to the nation, is shown by the fact, that in those countries where labor unionism and its attendant Socialism have had their longest trials and have attained their highest development, there poverty and human misery rankles most. For fifty years the labor union has been active in English industry, growing year by year more absolute, until it has for two decades been dominant, even to moving to its ends the law. Samuel P. Orth, in his "Socialism and Democracy in Europe," says:

"There is no country in Europe where there is more agitation about Socialism than there is in England today. It is discussed everywhere; almost the entire time of Parliament during the past few years has been taken up with more or less 'Socialistic' legislation. The public mind is steeped in it. There is more actually being done in England today toward the 'Socialization' of property, and the State, than in any other European country."

And this has been the case for years. And yet after all this period we hear the celebrated Chancellor of Great Britain, Mr. David Lloyd-George, exclaim:

"Go outside the Highlands, you have hundreds of thousands of men—I wonder if there is not an odd million—working unceasingly for wages that barely bring them enough bread to keep themselves and their families above privation. Generation after generation they see their children wither before their eyes for lack of air, light, and space which is denied them by men who have square miles of it for their own use. Take our cities, the great cities of a great Empire. Right in the heart of them everywhere you have ugly quagmires of human misery, seething, rotting, at last fermenting. We pass them by every day on our way to our comfortable homes. We forget that divine justice never passed by a great wrong. You can hear, carried by the breezes from the north, the south, the east, and the west, ominous rumbling. The chariots of retribution are drawing nigh. How long will all these injustices last for myriads of men, women and children created in the image of God—how long? I believe it is coming to an end."

The real means which Mr. Lloyd-George is taking to bring to an end the conditions which produce the miseries he portrays, is the taxation of land value, which has heretofore been almost immune from taxation in a nation, upon which the entire structure of the aristocratic element, with its House of Lords, was built. The great Chancellor has been compelled in appeasing popular demands to accede to some extent to Socialistic programs as mere expedients, bringing to a large number some measure of temporary relief; but I feel safe in predicting that when he has translated into legislation his completed land program, the Socialistic law-making will not only cease, but the movement for repeal of that line of statutes will set in and will continue until they are practically all wiped out as inequitable and unnecessary.

Here then we have initiative, or incentive, immigration and land. If these three avenues of opportunity were kept open we should have no

trouble with Socialism or labor unionism. With incentive free, the genius of man would be constantly pushing forward into new domains of endeavor, and calling labor to his aid. With immigration free on this Coast, the western half of the continent would rise as rapidly and to as high a degree of greatness as exists upon the Atlantic side, which development has been occasioned by the like quality of free immigration, while the countries of the Orient would spring forward with new life, and through building into greatness by reason of the free flow toward them of the light of our civilization, would soon become nations affording us a tremendous commerce, and immense opportunities for industrial development, to our vast profit and their benefit; instead of being as now a menace to us, through the inevitable future war which non-intercourse will necessarily provoke.

These elements are the components of individualism, and there is no other remedy for the industrial situation. Under their untrammelled operation wages would be as high as the market sales of the commodity or service would allow, and they would be freely paid as the result of a bid to get labor, the bidding being against the call for labor elsewhere existing by reason of the door of opportunity being open and activities operating in all localities, in every direction. The laborer would receive the full mete of reward which the industry would allow, and when he receives this he has all he is entitled to and he cannot get more. This condition in the labor situation must not be confused with the theory of "demand and supply of laborers," the error of which I have discussed extensively in my Japan pamphlet. Demand and supply, however, may be treated as of two kinds; that which arises through natural forces, which is industrial conditions unimpaired by the presence of monopoly resting upon law, and that which is artificially created, as is the case of the labor unions with their "closed shop", their union label, and their Congressional laws keeping immigrants out of the country. With the natural condition there is high wages for all with low prices; where with the artificial condition there is high wages for some, idleness and half idleness for many, with high prices, stifled industries, hideous, overbuilt monopolistic enterprises, and starvation; with infinite schemes of minimum wage, workmen's compensation, unemployed insurance,* eight hour laws, widows and aged pensions, maternity awards, and so on and so on and so on, with ever calls for more and more, until the heart sickens at the thought of the struggling people in their ignorance and misery trying to find relief from the oppressions which the pursuit of wrong lines of economic thought has held them in, and has led them into, and in which direction they can get no relief, but must only make their burdens worse, until Samson like—for the Philistian is strong in his millions—they pull down upon all of us the structure of civilization which withal, we have reared to magnificent heights.

*A method extensively employed in Germany to lessen the load of the unemployed problem.

Many projects of alleviation of the labor situation have been proposed. Mr. Andrew Carnegie thinks the problem could be solved by profit sharing; another would have compulsory arbitration. Neither will avail. Profit sharing is not other than bonus distribution, a practice common enough in some establishments, and without doubt an innovation stimulating to the laborers employed. That it is bonus distribution may be seen from the fact that it carries with it a minimum wage to the laborer. This he gets, notwithstanding he is a partner and as such would stand to lose not alone his wages but his investment, and such a contingency is not contemplated by the scheme. He is, however, a kind of partner unknown to either the law or business, who shares in the gains, but not in the losses; hence he is not a partner or a stockholder at all, but a bonus taker; though the bonus may be based on profits. The scheme to be properly handled should give these rewards only for excellence, and not merely because the receiver is an employee. As a means of solving the labor problem it must be wholly ineffective. The great corporation, secure in its business, highly organized and departmentized, may find such methods practicable and even profitable; but it is unfitted to general introduction and use. It would be intolerable to business that whenever a man was called in to do some order of labor, he became a partner in the establishment, entitled to a dividend from its profits in addition to his wages for the time he was employed, and able to force an accounting if he did not receive it, or was dissatisfied with the sum that was paid him. And it is utterly necessary that any system or method adapted to solve the labor question, must be of universal application; it must be just as fitting to the farmer who hires one man, the storekeeper who hires two clerks, as to the United States Steel Corporation or the Filene Stores of Boston.*

Nor is the scheme of compulsory arbitration any more effective as an engine for securing settlement of the labor problem. The basis of this plan is that a laborer once employed acquires a vested interest in the business and property of his employer and can never be discharged against his will. That men by striking do not quit the service of their employer, and the latter is powerless to discharge them. This position once conceded, transfers the business from the owners to the employees, and makes Socialism a thing highly to be desired, for under that system the business at

*Several years ago the Atchison, Topeka and Santa Fe R. R. Company, after having won a strike in its shops, introduced a system of piece work and bonuses. The method worked so satisfactorily to both the men and the company, that the bonus feature was extended to the enginemen. The regular rate of wages was continued as theretofore, but gratuities of added sums were paid at intervals to those having the best records with their respective engines; the use for a given mileage of the least quantity of lubricating and other oils, the keeping of the engine out of the shop for the longest period, and so on, the points and performances in which men might excel each other in care, diligence and faithfulness to duty, was the basis of the arrangement. This practice had not proceeded far, however, when the company was called upon by the head of the Union and told that the system must cease. "You know as well as I do," said this delegate, "that you are laying an ax at the very root of unionism. You are differentiating amongst the men, spurring them to individual degrees of excellence, and fixing their fidelity to the company, when it should and must be with the Union." It was demanded that the company receive back from the Union the full sum of all the bonuses which the company had paid to the enginemen, and that the practice be discontinued. The alternative was a strike. The company acceded to the demand; the money was restored, and the system was discontinued.

least would pass to the State; it would not be at the mercy of its servants. The most that can be said for compulsory arbitration is that it is a means of forcing cessation of a strike, compelling both parties to resume relations against their wills; for without compulsory arbitration there is over a whole country, between the employer and the laborer a practically continuous state of war. With classism regarded as the essential cleavage between employer and employee, and its concomitant attribute, class hatred, always present and active, the peace of industry is a preparation for war. The great plant often becomes enclosed as a provision of defence, and we have again the walled city of mediaeval Europe. Pinkerton detectives, Farley strikebreakers or other guards are enlisted to defend the non-unionists at work, and we have return of the *condottiere* of the middle ages, the hireling soldier, warring for whatever faction will pay the price. Compulsory arbitration sets aside this wrong by imposing another wrong, and so administers another drive toward Socialism. Obviously industry cannot be conducted with lasting success under such an arrangement and where it has been longest tried, as in New Zealand, it is a complete failure, though its insufficiency was not noted during the first years of its use.*

Another suggestion of supposed remedy now being much talked of on this Coast is incorporation of the unions, whereby, it is assumed, they would become legally liable for their acts, and could in some fashion be brought under control of government. We need waste no space herein in discussing this proposal. It has been tried for years in Europe and has been proven not to produce the slightest deterrent influence to the objectionable features of the unions which moved the expedient.

The real solution of the labor question, which is also the Socialist question, and the real interest of the laborer, and the direction in which he must work his way out if he is to live as a free man and not as a slave, is in the opposite trend to which he and his movement have been going. His interest is to increase, not to diminish product; to promote abundance, not scarcity; to lower prices, not to raise them; to open the door of opportunity, not to be indifferent towards it, or to close it. Abundance and low prices; high wages through scarcity of men called off by industry, not thrust out of industry by unions, and kept out of the country by exclusion laws, or starved out by killing off industry through destroying initiative—these are the true concerns of labor; and every factor tending to promote these he should encourage, and every one against them he should oppose.

*"The recently concluded struggle of the Waterside workers shows up New Zealand capitalism in the most astounding manner. A local union of 200 members presents demands to the employers. The demands are turned down and the men go on a strike. The employers' federation declares the union non-existent because it has broken the arbitration law. Then they organize a new "union." That is, they get together a dozen or so of strike-breakers and have them sign up under the law as a union. According to the law any fifteen men can form a union of any trade. It is said that in one case during the Waterside strike six men and a dog formed such a "union." Straightway the strike-breakers become the union men, and the unionists are advertised as outlaws. So the arbitration law places unionism in the hands of the employers. No wonder that the General Laborers' Union, a rebel organization, has grown so amazingly during the past two years." "The Land without Strikes," by William E. Bohn, *International Socialist Review*, March, 1914.

His interest is not to become a serf to the State, as would quickly ensue under the centralized system of Socialism with its allurements of "democratic management" and "people's rule"; but to remain an independent man, a citizen and not a subject, possessing *rights* and not *permits*; prerogatives, not privileges; the entire vouchsafed by an organic instrument, and clenched by written law. A government of limitations, of checks and balances, rigidly held against incursions upon the rights of citizens, yet sufficiently elastic in its universal basis of human liberty to admit any change attaining larger freedom of action, greater security to life and wider recognition of property. Such is the American constitution, and fatal will be the day to the progress of human kind when it is subverted or swept aside. Moreover the laborer should remember that so long as he works as a laborer he is a laborer; he is not and cannot be at once a laborer and a capitalist, a promoter, a master or a statesman; nor can he in any aspect expand the share of the laborer to embrace the rewards of any of these, and all attempts to do so must recoil to his own disadvantage. The work he performs is as necessary to industry as that of the others, but not more necessary. The fact that the employer who manages, the general who directs, the capitalist who furnishes the wherewithal, receive a larger share of the product than any individual laborer, a circumstance which occasions so much dissatisfaction to many of the laborers and their advocates today, is an inherent and continuous incident, and can never be changed so long as industry endures. It would obtain in just as high a degree under the amplest efflorescence of State Socialism as it exists today. It is an incident of nature and arises through the fact that the chiefs of all action are higher endowed in their several psychologies than are other men. The very fact that they are chiefs is proof of this. The lure of unusual capacity to display of unusual endeavor is always high rewards. Men delight to bestow their offerings upon those gifted ones endowed with powers to render great service, and which they freely employ. Power, however expressed, induces its full mete of material returns. From the savage or the barbaric king to the great inventor or the great captain of industry, and from these in subinfeudation, graduating down to the lowest man who stands on the plane of service above another, are all requited in degree by the free and natural consent of men with greater rewards than another. Were it not so there would be no cause for aspiration, nothing to move ambition or stir man to excel.

The favorable results to the laborers that would be produced by the change in the land system, while demanded by the Socialists in a far larger measure than that which is here conceded, is by them nevertheless deemed inadequate as giving to the laborer as much as will satisfy him. However that may be it is all he is entitled to receive and when he gets this he shall have his full measure of rights and cannot possibly get more. He has a right to full, free and fair opportunity, in the face of nature, and in the face of law; and for the rest it is "up to him." Socialism is neither prac-

licable nor possible as a measure of relief to the laborer, and if ever brought into existence will produce indescribable chaos and war.

And let me say to you my business friend, if you think you can combat Socialism and destroy it by merely denouncing it, you are gravely mistaken. This gigantic ogre does not exist by mere accident or fad, there is a real cause for its being; and if you who are intrenched in wrong so prize the land value which you erroneously hold against society that you are content to let things come as they may so long as your position is intact, I ask you to cast your eyes over Europe at the present moment where there is operating the final effects of peoples in nations nursing this great wrong. In that day, and it will in its due course be effective here just as it is rending there—in that day I say, the ruthless soldiers of the scourge of God will pay not the slightest regard for you or your notions of vested interests, but they will trample with heel and hoof and burn and blast in the fires and shock of battle whatever there is that you value and hold dear; and if you in that day carry with you the consciousness of the cause that lay at the bottom of that havoc, as I am pointing it to you here, your soul will rise to your lips and you will curse it! It is no longer the time for quibbles, as whether this or that change from obvious wrong to obvious right is going to inconvenience some one; as to whether myself or Mister So and So, who is enjoying the fruits of wrong may or may not like it, or would or will not consent that the change be made. With the sword of Justice *wrong* must be hunted out and destroyed. It is the high noon of the day for *action* which can no longer with safety to the nation be delayed.

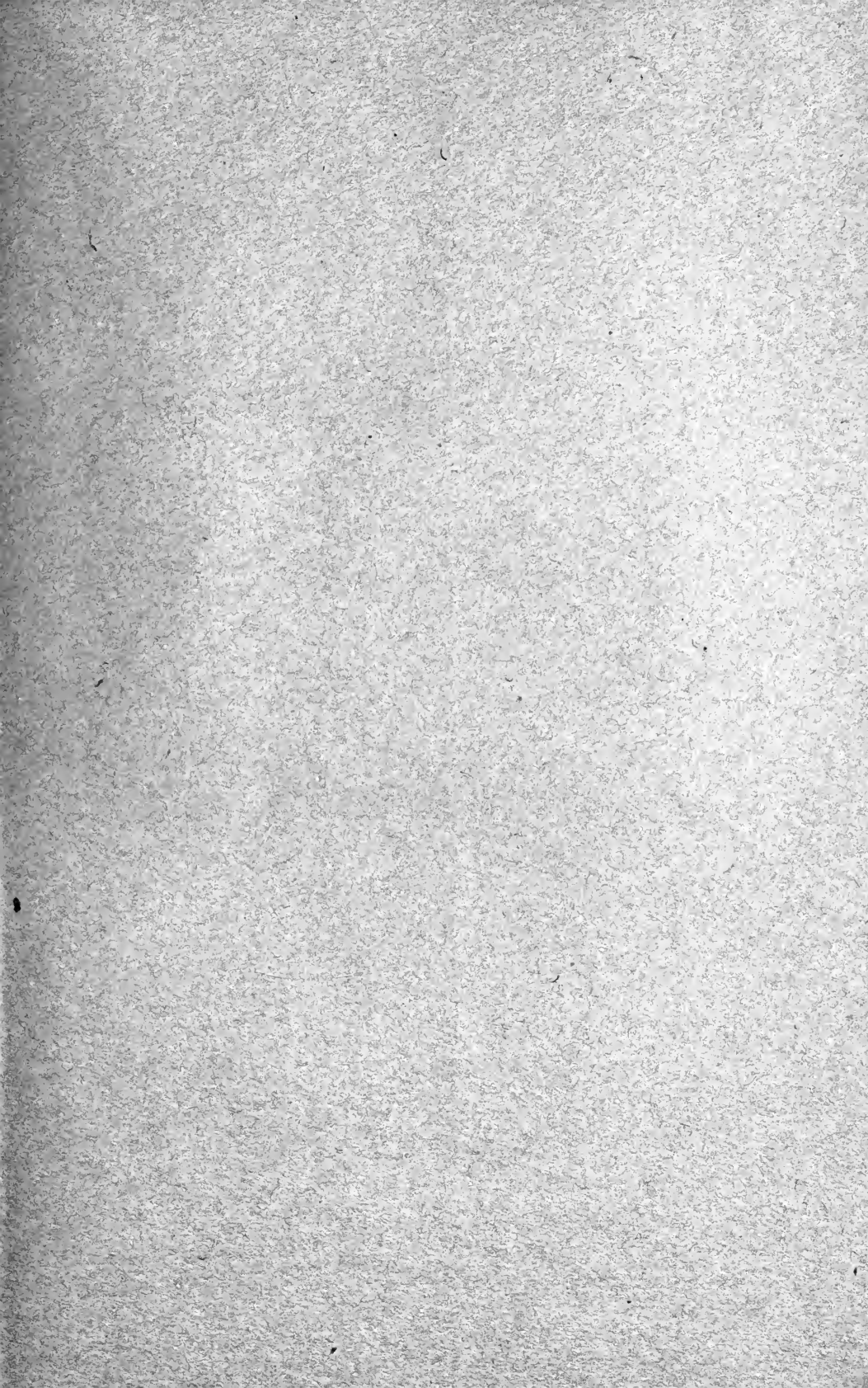
And now having gone forward in this discourse through some scores of pages, I must pause and bring my dissertations to a close. These latter comprise three papers in all; the foregoing, with the two pamphlets to which I have herein referred. Not without a sense of regret even to the length of sorrow, do I lay aside the pen of economics, and resume again the work of law. There is so much in this great and tense sociological situation to be said upon what I conceive to be correct and proper lines for its movement, for the safety and security of the nation, that with my message yet unspoken or only partially, even slightly expressed, I can but turn from it with feelings I shall not describe. With the confusion which is now billowing around us, with the marching armies everywhere beyond the Atlantic, the ferment in Mexico, the guns of Japan on shores of Kiau Chau which may be taken as the primary step to the partition of China, when we shall be fronted on the Pacific by warlike Europe—with these conditions now reigning, and the great central cause of it all here, present with us in this disturbed state of the industrial world which we have been discussing, it would seem that every pen able to point the way of light and guidance should be employed. Very certain it is that the only hope of this our nation in this environment is the working out and wise applica-

tion of the true solution of these great questions. When America can and does apply to practice the principles which attain and hold peace among the peoples within her borders, she shall have pointed the way to the peace of the world, and she will quell the surging onslaught which otherwise surely will involve her. Very certainly this longed for world's peace will never be had by the preaching of the doctrines which have heretofore been employed by the various pacification societies organized and so splendidly financed to that end, and which have been pursuing their endeavors toward static peace for more than a decade past. Far other teachings must be spread abroad than those; nations will never refrain from embracing war by narratives of how bad a thing war is, how destructive of life, how wasteful of property, how harmful to civilization itself. The call must be made upon other chords of the human soul than those of sympathy or suffering over loss. It must be recognized that war is caused by *mass hatred*,—the hating by men of each other, not for anything which they severally do, but for reasons of race, of nationality, concepts of industrial interests, religious beliefs or political opinions. It is an easy matter to affect the psychologies of multitudes of people, and fill them with bitterness toward each other, so that they are ready to murder and destroy upon the slightest provocation. Under the mistaken notion of "patriotism", governments of Europe have fostered this spirit, and they are now reaping the whirlwind. Mass hatred, whatever expression it may take, has its roots in economics. When men are prosperous, free and contented they do not wilfully hate each other. The way to dispel hatred is to show men that human welfare is not direct; that it is a reflex action and condition issuing from the wellbeing of others, and that men to help themselves must help their fellows; that when they harm their fellows they harm themselves. This is the law, and it can never be otherwise. The vast conflict which is now raging in Europe is but an orgie of mutual destruction, without the slightest possible benefit to those who may win. Next to killing themselves and destroying their own property, the Germans could not possibly do themselves more injury than by killing the Belgians and French, nor the Russians by killing the Germans, and the destroying of properties of the respective peoples. The mere fact that the cities and the fields of Belgium and France are on the yon side of a German boundary line, is of not the slightest consequence to the German people. The latter would be no better off were those cities and country within than without their own boundaries. It is utterly of no importance to the people within a country as to whether they are ruled by one reigning house or another, any more than it is of any consequence to a man here whether he live under the government of California, of Ohio or New York. Mere governmental administration, so long as it be just, orderly and reasonable, is of no moment as to its identity from the standpoint of the happiness and prosperity of the people, to attain which is the only reason at all for governments existing. And this bloated overlordship, with its incident stupendous waste of human labor

in armaments and else, is but the sheerest folly, arising altogether from the erroneous idea that human welfare is *direct* and not *indirect* as I state. It is built upon the erroneous notion that one people can best prosper through prevention of others. If we should strike down tariffs on boundaries through which the whole of Europe is *octroied*, eliminate immigration exclusion, and make men equal before the law—provisions aimed to advantage some to the detriment of others within their own countries, there would be but little difference to the individual whether he lived under one European government or another. His opportunities in the respective nations would be just about the same. It is not the flag that affords him prosperity, it is the existence of people about him and beyond who are themselves prosperous and who hence have need for his services, rendered in products or otherwise, and who have the ability to pay therefor. How long will it be before men learn that any blow struck at their fellows, whether as individuals or collectively in nations, but rebounds and smites themselves? This is the world lesson. God, or Nature stands first; the next is your neighbor; and if Jesus, in that marvelous propaganda which while the world lasts will stand before men as a pillar of light and leading—if he had said nothing else than his answer to the lawyer in Matthew, he would have held a place in history as among the deepest of the philosophers of the ancients; for in reply to the question: “Master, what is the great law?” he said: “Thou shalt love the Lord thy God with all thy heart, with all thy mind, and with all thy strength. This is the first great law. The second is like unto it: Thou shalt love thy neighbor as thyself. On these two hang all the law and the prophets.” It may be asserted that the whole structure of correct human conduct lies in these utterances. If all rules, all policies, all ordinances, all relations of men to men were based on this principle, there would be unbroken peace amongst mankind, and the highest happiness upon earth. This is not “religion,” not mere altruism, it is hard, bottom-rock economics. To “love God”, is merely to get into harmony with Nature; to understand her laws and to conform one’s life and behavior to them—to be ever ready to change one’s conduct, views of things, and to forsake *interests*, as soon as understanding is had of the existence of a law of nature in conflict with these qualities, which is not being obeyed. This is man’s only safety on earth, for if you go against natural law, whether such be in the physical realm, or in the region of human relations, there attends the penalty of unhappiness and woe, and ultimate loss or destruction. And in respect of your neighbor it is not meant that you shall embrace him as do the Latins, or bestow on him the affection which you dote upon your family—that is not the meaning of this command; but you should do nothing to harm him, nothing to deprive him of equal right and equal opportunity to lawfully do for himself. God has schemed it so that if you deal with him at all, looking ever so singly to your own interests, you shall prosper him, and this is all he wants. Given his normal strength he does not wish your gifts; but if he should fall by

the wayside through no grievous fault of his own, it ennobles your manhood to help him. It is indeed the ethical doctrines of Jesus Christ that will free men of war and all else that breeds destruction. Not the theological edifices which have been built upon those doctrines and with which they have really nothing to do, but the doctrines themselves, the most potential influence that exists in the world today, which hand in hand with economic adjustments need only to be locally applied to abolish war, which will never otherwise go hence.

But for this and all else, you my friend, who have followed me, patiently, perhaps wearily enough, over this area of economic inquest there is surcease. The labors I have for months past been performing, in order that for the common good I might distribute these writings abroad, must have an end. Foolish, indeed, it is for one, however he feels himself imbued with the sacred principles of equal right and justice, to single handed seek to acquaint the world therewith. Worthless were the task if it be mine alone. But in the realm of compensation and those adaptations which further helpful objects and rebuke such as are vain, there is, it is my hope, some resource which will again call forth this writing to aid mankind. If there be not, then is it Allah's will, and to this all must be resigned.



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